

FINANCIALS

PART E



Part E: Financials

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NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2013

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2013.

Audit Committee members and attendance

The Audit Committee consists of the members listed below and meets at least four times per year, in accordance with its approved terms of reference. During the current financial year, five meetings were held.

Name of member	Number of meetings scheduled	Attended
Mr K Buthelezi (chairperson)	5	5
Mr J Weapond (contract expired 31 December 2012)	4	3
Ms T Moja	5	4
Mr N Monakedi	5	4

Audit Committee responsibility

The Audit Committee reports that it complied with its responsibilities arising from Section 38(1) (a) of the Public Finance Management Act (Act No. 1 of 1999, as amended; PFMA) and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The Department's system of internal controls is adequate. Despite this, the entire risk management process was not effective due to risk owners' lack of commitment. The Audit Committee subsequently tasked management to address the weaknesses identified. Risk assessment was conducted in units independently and risk profiles were consolidated upon completion of units' risk assessment. No enterprise-wide risk assessment was conducted.

The system of internal control was not entirely effective for the year under review. Deficiencies in and/or deviations from the system of internal controls were reported by internal auditors and the Auditor-General.

The quality of management and quarterly reports submitted in terms of the PFMA and the Division of Revenue Act (DoRA) was also reviewed.

During the year under review, the Audit Committee reviewed the internal audit reports on audits of the quarterly performance information prepared and issued by the Accounting Officer of the Department.

During the year under review the Audit Committee reviewed internal audit reports on quarterly performance information prepared by the Department, and recommendations were made for improvements, which the Accounting Officer undertook to address.

Matters of concern

The following matters were noted by the Audit Committee as matters of concern:

- Ineffectiveness of risk management within the Department.
- Ineffective IT environment.
- Lack of improvement on pre-determined objectives.
- Performance and under-spending on Rural Household Infrastructure Grant.

The Audit Committee has tasked management to put in corrective measures to address the above matters.

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Evaluation of financial statements

The Audit Committee:

- Reviewed and discussed the audited and adjusted financial statements to be included in the annual report.
- Reviewed the Auditor-General management report and management responses to the report.
- Reviewed audited financial statements and adjustments made.

Changes to accounting policies

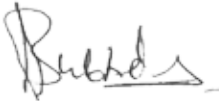
The Audit Committee noted that there were no changes to accounting policies.

Internal audit

The Audit Committee is satisfied that the internal audit function is independent, objective and operating effectively and also strives to address the risks pertinent to the Department in its audits.

Auditor-General South Africa

The Audit Committee met with the Auditor-General South Africa to ensure that there were no unresolved issues.



Mr Khulekani Buthelezi
Chairperson: Audit Committee
31 July 2013

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013

Report by the Accounting Officer to the Executive Authority and Parliament/Provincial Legislature of the Republic of South Africa.

Report of the Accounting Officer

1. GENERAL FINANCIAL REVIEW

The year under review saw the implementation of the turnaround strategy. One of the critical components of the turnaround strategy is a new organisational structure, which had to be implemented within the confines of the existing budget structure. As a result there was a need during the year to put some measures in place to manage the non-alignment between the budget structure and the new organisational structure. A request by the Department for approval by the National Treasury of a new budget structure aligned to the organisational structure was not successful, which means that the Department must find a way of managing this non-alignment while pursuing the matter further with the National Treasury.

As in previous years some prioritised areas required additional funding and others were reduced. A large percentage of the budget continues to be grants and transfer payments. Due to low performance by provinces, R330.9 mil of the Human Settlement Development Grant was stopped in terms of the Division of Revenue Act and thus not transferred to provinces. The provinces affected by this action were the Eastern Cape (R284.8 mil) and Limpopo (R46 mil). This has increased the amount of unspent funds.

1.1. Spending trends

The level of expenditure was low for most of the financial year. This necessitated various measures to be taken, some of which will only bear fruit in the next financial year. Late start of processes in respect of various programmes and projects, *inter alia*, contributed to the low level of expenditure. More details of the spending trends by programme are given below:

Table 1: Financial performance in summary

Programmes	Total Allocation	Expenditure	Variance	
R'000				
1. Administration	236,106	174,318	61,788	26%
2. Housing Policy, Research and Monitoring	46,719	32,358	14,361	31%
3. Housing Planning and Delivery Support	224,460	143,668	80,792	36%
4. Housing Development Finance	24,440,076	23,958,808	481,268	2%
5. Strategic Relations and Governance	190,444	154,119	36,325	19%
Total	25,137,805	24,463,271	674,533	3%

1.1.1. Programme 1: Administration

The following are the main reasons for under spending:

- Funds provided for the Special Investigation Unit (SIU) were not fully utilised due to delayed invoicing by the SIU.
- Funds provided for the leasing of additional office accommodation have also not been fully utilised. Additional office accommodation was secured but the tenants' installations were not undertaken by the lessor, resulting in the Department not being able to take occupation of the building and thus not paying for the lease.

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- Furthermore the non-filling of vacancies due to a lack of office space resulted in under-expenditure not only on the compensation budget but also on employee related costs.
- Delayed invoicing by SITA for software licences.
- Late commencement of the rectification project.
- Impact of measures instituted to achieve savings.

1.1.2. Programme 2: Housing Policy, Research and Monitoring

The following are the main reasons for under-spending:

- A project called "Design and the determination of the development cost of residential status and typologies to be financed through government's national housing programme" was still in progress at year end.

The following research projects were put on hold pending further consultation with stakeholders:

- The integrated residential development programme: looking back and moving forward.
- The evaluation of provincial and municipal response to the Urban Settlements Development grant.
- A project to conduct household surveys to profile informal settlements targeted for upgrading in the nine provinces.
- Delayed filling of vacant positions.

1.1.3. Programme 3: Housing Planning and Delivery Support

The following are the main reasons for under-spending:

- Delay in the implementation of the National Upgrading Support Programme (NUSP) which takes up 30% of the programme's budget.
- Delayed filling of vacant positions.

1.1.4. Programme 4: Housing Development Finance

The following are the main reasons for under-spending:

- Due to underperformance by two provinces, Eastern Cape and Limpopo, a total of R330,9 mil from the Human Settlements Development Grant was stopped and not transferred to them in terms of the Division of Revenue Act.
- Under-expenditure on computer services reflects the impact of the phasing out of the debtor system.
- Underperformance of the Rural Household Infrastructure Program.

1.1.5. Programme 5: Strategic Relations and Governance

The following are the main reasons for under-spending:

- Media campaigns for which service providers were appointed at year end: only part of the work was concluded by the service provider.
- Inability of SITA to provide resources at an adequate level to maintain the Housing Subsidy System (HSS) as stipulated in the SLA. SITA could only provide limited resources resulting in under-spending.

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1.2. Virements

1.2.1 Virements that were approved after the adjustment estimate:

Table 2: Details of virements after adjustment estimate

Originating programme	Receiving programme	Amount	Reason	Approved by
		R' 000		
Programme 3	Programme 5	12,000	To fund multimedia campaigns held as part of the various housing handovers throughout the country and various other activities, such as builds undertaken and mass media buying.	Department
Programme 1	Programme 5	20,500	To partially fund the Servcon closure costs.	Department

2. SERVICES RENDERED BY THE DEPARTMENT

2.1. The Department does not render any direct services to the public.

2.2. Tariff policy

As previously indicated, the Department does not render any direct services to the public and therefore does not have any tariff policy.

2.3. Free services

No free services were rendered by the Department to the public during the year under review and none are planned for the foreseeable future.

3. CAPACITY CONSTRAINTS

The Department embarked on a turnaround process during the previous financial year. This necessitated a moratorium on filling of non-critical positions and thus impacted on the Department's capacity. This year was the year of implementing the turnaround strategy; hence the Department embarked on a recruitment drive to fill vacant positions.

4. UTILISATION OF DONOR FUNDING

There was no donor funding received during the financial year.

5. TRADING ENTITIES AND PUBLIC ENTITIES

Trading and public entities reporting to the Minister of Human Settlements are listed below:

5.1. South African Housing Fund

The South African Housing Fund was established for availing funds to provincial governments to finance national and provincial housing programmes in terms of the Housing Act (Act No. 107 of 1997).

The intention was that all funds transferred through the South African Housing Fund be utilised according to prescripts set out in the Housing Code. In addition, funds transferred to the South African Housing Fund had to be distributed to provinces as conditional grants. These provincial allocations were and are still determined according to an allocation formula which is based on a number of factors and is approved by Housing MINMEC.

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Subsequent to the introduction of the Division of Revenue Act, MinMEC, during the 2003/04 financial year approved the disestablishment of the fund as its continued existence was no longer necessary. The fund was subsequently de-listed and its disestablishment will be achieved once the Housing Act is amended or repealed to give effect to the MINMEC decision.

5.2. Servcon

Servcon Housing Solutions (Servcon) was established in 1995 as a result of the Record of Understanding entered into between the Department of Housing (representing government) and the Banking Council (representing participating banks). The company was established in terms of the Companies Act (Act No. 61 of 1973) and was mandated to provide exclusive management services effective from 1 April 1998, with respect to a documented "ring-fenced" portfolio of 33,310 properties comprising properties in possession (PIPs) and non-performing loans (NPLs) worth R1.277 billion for a period of eight years, from 1 April 1998 to 31 March 2006.

In 2006 the shareholders represented by the Banking Council and the Department of Human Settlements parted, in terms of the "Sale of Shares and Claims Agreement". During 2007 the institution undertook to assist provinces through a normalisation and regularisation programme.

The institution ceased operations in September 2009 and is currently in the process of final closure.

Servcon is wholly owned by government and the Managing Director of Servcon is accountable to the Executive Authority of Human Settlements.

5.3. Social Housing Foundation (SHF)

The SHF is a Section 21 company established in 1996. The foundation was established to develop and build capacity for social housing institutions and to develop a policy framework for the social housing sector. It has been providing knowledge management services as well as policy, communication and institutional support to the sector. In addition the foundation has been monitoring and evaluating the social housing sector.

The SHF is in the process of liquidation.

The board of the SHF is accountable to the Executive Authority of Human Settlements.

5.4. National Urban Reconstruction and Housing Agency (NURCHA)

NURCHA was established in terms of Section 3(4)(h) of the Housing Act (Act No. 107 of 1997).

The function of NURCHA is to maximise options for financing the construction of housing and related facilities and infrastructure and to utilise NURCHA's loans to contribute to and support the emergence of new successful, black-owned construction firms.

The accountability between the board of NURCHA and the Executive Authority of Human Settlements is governed by a shareholders' compact.

5.5. National Home Builder's Registration Council (NHBC)

The NHBC was established in terms of the Housing Consumers Protection Measures Act (Act No. 95 of 1998).

The function of the NHBC is to regulate home builders, to provide housing consumers with warranty protection against defects in new homes, and to provide protection against any failure of builders to comply with their obligations in terms of the Act. It provides an exclusive regulatory function in the home building environment.

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The council of the NHBRC is accountable to the Executive Authority of Human Settlements.

5.6. National Housing Finance Corporation (NHFC)

The NHFC was established following a Cabinet decision in May 1996, as envisaged in the White Paper on Housing. The NHFC was established in terms of Section 3(4)(h) of the Housing Act.

The function of the NHFC is to make housing finance accessible and affordable to low- and middle-income households. It searches for new ways of mobilising finance for housing from sources outside the state in partnership with the broadest range of organisations. It also provides wholesale finance and acts as a fund and risk manager.

The board of the NHFC is accountable to the Executive Authority of Human Settlements.

5.7. Thubelisha Homes

Thubelisha Homes was established as a non-profit, special purpose vehicle to create appropriate housing stock for rightsizing the Servcon Housing Solutions portfolio.

The institution ceased operations in July 2009 and has been placed in voluntary liquidation on 29 March 2012. The liquidation of the entity is in progress.

The liquidator is accountable to the Master of the High Court. The accounting officer is accountable to the Executive Authority of Human Settlements.

5.8. Rural Housing Loan Fund (RHLF)

The RHLF is a development finance institution, established in August 1996 as an association not for gain. The function of the RHLF is to empower low-income households in rural areas to access housing credit. It operates as a wholesale lender and thus attains its mandate by providing loans through retail intermediaries to its target market to be utilised for incremental housing purposes.

The accountability between the board of RHLF and the Executive Authority of Human Settlements is governed by a shareholders' compact.

5.9. Housing Development Agency (HDA)

The HDA was established in terms of the Housing Development Agency Act (Act No. 23 of 2008) and began operations in April 2009. The purpose of the agency is to identify, acquire, hold, develop and release state- and privately owned land for residential and community purposes and for the creation of sustainable human settlements.

The functions of the HDA are to:

- Develop a development plan to be approved by the Minister in consultation with the relevant authorities in the provinces and municipalities.
- Develop strategic plans with regard to the identification and acquisition of state, privately and communally owned land that is suitable for residential and community development.
- Prepare necessary documentation for consideration and approval by the relevant authorities as may be required in terms of any other applicable law.
- Monitor progress of the development of land and landed property acquired for the purposes of creating sustainable human settlements.
- Enhance the capacity of organs of state including skills transfer to enable them to meet the demand for housing delivery.
- Ensure that there is collaboration and intergovernmental and integrated alignment for housing development services.

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- Identify, acquire, hold, develop and release state-, privately and communally owned land for residential and community development.
- Undertake such project management services as may be necessary, including assistance relating to approvals required for housing development.
- Contract with any organ of state for the purpose of acquiring available land for residential housing and community development for the creation of sustainable human settlement.
- Assist organs of state in dealing with housing developments that have not been completed within the anticipated project period.
- Assist organs of state with the upgrading of informal settlements.
- Assist organs of state in respect of emergency housing solutions.

The board of the HDA is accountable to the Executive Authority of Human Settlements. A mandate agreement has been concluded between the board and the Executive Authority of Human Settlements in accordance with Section 8 of the Housing Development Agency Act.

5.10. The Social Housing Regulatory Authority (SHRA)

SHRA was established in terms of the Social Housing Act (Act No. 16 of 2008).

The functions of SHRA are to regulate the social housing sector and to support the restructuring of urban spaces through investments in social housing. It is responsible for the disbursement of restructuring capital grants to social housing institutions.

The accountability between the board of the SHRA and the Executive Authority of Human Settlements is governed by a shareholders' compact.

5.11. Estate Agency Affairs Board (EAAB)

The Estate Agency Affairs Act (Act No. 112 of 1976) provides for the establishment of the EAAB. The functions of the board are to regulate, maintain and promote the standard of conduct of estate agents, issue estate agent fidelity fund certificates, prescribe the standard of training of estate agents, investigate complaints lodged against estate agents and manage and control the estate agents fidelity fund.

During the 2012/13 financial year, the Minister of Human Settlements appointed an administrator to stabilise the governance of the entity. The Minister of Human Settlements recently appointed new members to the board. The EAAB is accountable to the Executive Authority of Human Settlements.

5.12. Community Schemes Ombuds Service (CSOS)

The Community Schemes Ombuds Service Act (Act No. 9 of 2011), was promulgated on 11 June 2011 and provides for the establishment of the CSOS as a public entity.

The functions of the CSOS are to:

- Develop and provide dispute resolution in terms of the CSOS Act.
- Provide training for conciliators, adjudicators and other employees of CSOS.
- Regulate, monitor and control quality of schemes governance documentation.
- Take custody of, preserve and provide public access electronically or by other means to schemes governance documentation.

The operationalisation of the CSOS is in progress.

The board of the CSOS is accountable to the Executive Authority of Human Settlements.

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6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

The Department transferred funds to the following organisations:

Table 3: Funds transferred

	Organisation	Amount R'000	Remarks
1	Provinces - Human Settlements Development Grant	15,395,032	This is to fund the national and provincial housing programmes.
2	Accredited metros and cities: Urban Settlements Development Grant	7,392,206	This is to fund human settlement related infrastructure development
3	UN Habitat Foundation	1,280	Annual contribution to the forum
4	National Urban Reconstruction and Housing Agency	120,000	This is to fund recapitalisation on entity
5	Social Housing Regulatory Authority: Operational Capital Restructuring Grant	21,096 647,401	In terms of legislation
6	Rural Housing Loan Fund	31,975	In terms of legislation
7	Housing Development Agency	92,336	In terms of legislation
	Total	23,701,325	

7. PUBLIC PRIVATE PARTNERSHIP (PPP)

No public, private, partnership as contemplated in terms of the Treasury regulations is in place.

8. CORPORATE GOVERNANCE ARRANGEMENTS

8.1. Internal audit

The Department has an internal audit function as required by the Public Financial Management Act. The Audit Committee continuously assesses the performance of the Internal Audit Directorate to determine the level of its effectiveness and recommend areas that need improvement. A 360-degree assessment is conducted annually to evaluate the performance of the function. In the year under review internal audit reviews conducted by the Directorate showed that there are adequate systems of control in place, but on certain areas there is a need for improvement. What was raised as a concern is the effectiveness of some of the controls in place. Recommendations were made on weaknesses identified and managers committed to implement agreed action plans.

The Department has an Audit Committee, which operates in accordance with the requirements of the PFMA and Treasury regulations. The Audit Committee was fully effective during the period with regard to its oversight responsibility. Five meetings of the committee were convened during the period under review. The Committee briefed the Executive Authority and also the Human Settlement Portfolio Committee with regard to status of internal control, risk management and governance processes of the Department as part of its oversight responsibility. A 360-degree evaluation of the performance of the Committee is done annually to assess its performance and measures are put in place to address weakness identified.

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8.2. Risk management

The Department has a Risk Management Unit, which facilitates all risk management activities. It also has a risk management policy and strategy which guides the practices and processes for the implementation of the risk management activities. There is a Risk Management Committee in place whose responsibility is to assist the Accounting Officer in the execution of his risk management responsibilities.

The Committee is composed of executive and non-executive members, including a representative from the Audit Committee and the chairperson, who is a non-executive member. The Committee meets on a quarterly basis to review risk management processes and report to the Audit Committee. The committee held three meetings during the financial year under review. The Department conducted a risk assessment and compiled a risk profile for 2012/13.

8.3. Special investigations

The Department has a Special Investigations Directorate, which is tasked with the implementation of the Public Service Anti-Corruption Strategy (2002). The functions of the Directorate are supported by the fraud prevention plan and whistle-blowing policy, which are reviewed annually and approved for implementation.

The fraud prevention plan identifies high fraud risk areas and stipulates both preventative and reactive measures aimed at reducing/eliminating corrupt and/or fraudulent practices, particularly within the supply chain management and human resources units of the Department. This plan also allocates preventative functions to specific units and recommends the period(s) for conducting and implementing the stipulated measures.

The whistle-blowing policy, on the other hand, promotes the reporting of wrongdoing by employees of the Department and any other person who might have information on planned and/or committed acts of corruption and fraud. The Department issued a circular, which also discourages officials/employees from intimidating potential whistle-blowers.

The Department conducts investigations into the contracting, development and allocation of low-income housing, in partnership with the SIU in terms of Presidential Proclamation R.7 of 2007, which was extended by Proclamation R.35 of 2010 and R.15 of 2012. The objectives of these investigations is "to investigate any fraud, corruption and maladministration in respect of the development and delivery of low-income housing in South Africa, by national and provincial departments, local authorities (and agents) and Housing Development Boards'.

During the year under review the investigations resulted in the following:

- A total amount of R9.8 mil was collected.
- A total of 84 arrests were made.
- A total of 46 convictions were made; 49 cases were postponed.
- A total of 56 DC files were prepared.
- A total of 72 acknowledgments of debts were signed, amounting to R1,187,745.00.

The anti-corruption framework is supported by an extensive anti-corruption programme, which targets human settlements officials/employees in the three tiers of government. These programmes have had a positive impact in the Department's commitment to reduce and/or eliminate corrupt and fraudulent practices within the Department.

8.4. Office of Disclosure

The Office of Disclosure is established in terms of Section 4 of the Home Loan and Mortgage Disclosure Act (Act No. 63 of 2000). Its mandate is to promote fair lending practices, which requires disclosure by financial institutions of information regarding the provision of home loans.

The Office of Disclosure engaged with all affected financial institutions and key stakeholders on matters related to compliance with the Act. Annual return has been developed and implemented by all financial institutions that play a role in granting of housing finance. The draft amendments to the Act have been prepared and forwarded to the state law advisors. Financial institutions have disclosed to the office and an annual report has been prepared for the Minister in terms of the provisions of the Act.

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9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The South African Housing Fund was de-listed during 2004/05. The delisting of the fund was necessary as the fund is dormant. This is due to the introduction of the Division of Revenue Act, which requires that funds for housing development be transferred from the national vote to the provincial votes through the provincial treasuries.

As a result of a MINMEC decision to disestablish all the funds, a legislative process is underway to:

- Amend or repeal the Housing Act in order to effect alignments between the Housing Act, the Public Finance Management Act and the Division of Revenue Act.
- Disestablish the fund.
- The winding up of Thubelisha Homes, the Social Housing Foundation and Servcon has not been finalised.

10. NEW/PROPOSED ACTIVITIES

There are no new activities under consideration.

11. ASSET MANAGEMENT

The Department's fixed asset register is on the LOGIS system. This system is supplemented by the "e-asset system", which has a bar coding module that assists in managing physical location of assets and facilitating physical verification. The Department's compliance with the asset management reform has been delayed due to capacity constraints. An asset management policy was during the year amended.

12. INVENTORIES

Inventories on hand at year end are disclosed on the financial statements disclosure notes.

13. EVENTS AFTER THE REPORTING DATE

There are no events to be reported.

14. INFORMATION ON PREDETERMINED OBJECTIVES

Section 92 of the Constitution states that "members of the Cabinet are accountable collectively and individually to Parliament for the exercise of their powers and the performance of their functions" and that they must "provide Parliament with full and regular reports concerning matters under their control". Section 133 provides for the accountability of members of the executive council (MECs) of a province to the provincial legislature. Similar arrangements are specified for municipalities in the Municipal Structures Act (Act No. 117 of 1998).

Section 20(2)(c) of the Public Audit Act (Act No. 25 of 2004) requires the Auditor-General's audit reports to reflect an opinion or conclusion on the reported information relating to performance against predetermined objectives of the auditee, which include Constitutional institutions, departments, trading entities, public entities, municipalities and municipal entities, and other institutions as indicated by sections 4(1) and 4(3) of the Act.

Chapter 5, Section 27(4) read with 36(5) of the PFMA requires that the Accounting Officer must establish procedures for quarterly reporting to the Executive Authority to facilitate effective performance monitoring, evaluation and corrective action. The Department is required to report on Departmental performance to the Executing Authority in terms of Section 40 (1)(d) of the PFMA. In terms of the approved macro structure of the Department of Human Settlements (DHS), the Chief Directorate Enterprise Architecture is to oversee the enhancement of DHS operations through effective enterprise architecture services. The Chief Directorate is made up of two units: Enterprise Architecture Establishment and Enablement and Enterprise Architecture Monitoring and Control. The Chief Directorate's mandate is derived from the PFMA, Chapter 2 of the Treasury regulations, guidelines to the Accounting Officers, the public service regulations, Chapter 1 parts (iii) and (vii), and the Constitution (Act No. 108 of 1996) Section 92(3)(a) and (b) and section 133(3).

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The functions of the Enterprise Architecture Monitoring and Control Unit are as follows:

- Develop and review the human settlements enterprise operations performance assessment framework (EOPAF) and policy for monitoring the implementation of the departmental enterprise architecture performance areas.
- Consolidate, evaluate and submit departmental performance reports on the implementation of the departmental strategic and annual performance plans to the Accounting Officer.
- Compile and submit departmental performance reports on EOPAF performance areas to the Accounting Officer.
- Consolidate and compile presentations on the departmental performance for discussion at senior management meetings for decision making in line with the departmental EOPAF) and policy.
- Validation of verification statements for departmental branches against the performance reports and performance agreements of senior managers.

The Directorate is, therefore, responsible for on-going monitoring of departmental programmes' performance and has the prime responsibility of identifying performance problems and making recommendations towards their successful resolution.

The Department is committed to a continuing process of improving organisational performance by maintaining consistent focus on strategic goals, refining the definition and measurement of the outputs, and improving communication of the results of its efforts to the public.

The Enterprise Architecture Monitoring and Control Unit analyses and evaluates the performance of various programmes and sub-programmes in the Department on an annual and quarterly basis. The purpose of such analysis and evaluation is:

- To determine the factual correctness or accuracy of programmes' actual achievements against targets as detailed in the approved branches annual performance plans.
- To determine whether the strategic objectives, outputs and targets as detailed in the departmental annual performance report are the same as those indicated in the approved departmental strategic and performance plans.
- To verify whether the reported actual achievements have been achieved as reported in the performance reports.
- To advise the Director-General on the implementation of the approved departmental strategic and performance plans and performance indicators stated in the estimates of national expenditure (ENE) 2012/13.

This is achieved through the following criteria:

- An assessment of the extent to which the submitted performance reports adhere to guidelines and approved formats and templates for the submission of non-financial performance information quarterly and annually.
- Comparative analysis of the approved departmental strategic and performance plans and the departmental performance reports.
- Comparative analysis of the ENE 2012/13 and the departmental annual performance report 2012/13.
- Verification of the validity, integrity and quality of the performance information as detailed in the departmental performance reports.

The Chief Directorate is, therefore, required to submit the departmental annual performance report to the Accounting Officer on the approved strategy of the Department for approval.

The chief directorate is further required to submit the departmental annual performance evaluation report with recommendations to the Accounting Officer on the overall performance of the Department against planned targets and outputs.

The DHS report on the turnaround strategy has made clear the need for the corporate performance management system. In terms of corporate performance management (CPM), with the government having recently adopted the outcomes-based approach, it is important for the Department to have an effective and efficient CPM framework that is both aligned to and enables the DHS to deliver on its mandate.

15. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA) RESOLUTION

There were no resolutions taken by SCOPA in respect of the Department during the year under review. The following prior resolutions have been addressed by the Department as reported in the previous financial year:

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Approval and allocation of housing subsidies at provincial housing departments (2005/06 performance audit report).
Approval of housing subsidies to municipal employees and the administration of low cost housing projects by certain provincial housing departments (2008/09 performance audit report).

16. PRIOR MODIFICATIONS TO AUDIT REPORTS

As part of the strategy to address issues raised by the Auditor-General during the previous financial year, the Department developed an action plan, which was monitored and updated on a monthly basis. The action plan was also submitted to the National Treasury. The table below indicates progress:

Table 4: Prior year Auditor-General report matters

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
<p>1. Treasury regulations The Accounting Officer did not in all instances pay creditors within 30 days of receipt of invoice as required by Treasury Regulation 8.2.3</p>	2010/11	<ul style="list-style-type: none"> Receiving of invoices has been completely centralised and staff have been instructed not receive any invoices, but to refer them to supply chain A circular was sent out warning staff that failure to adhere may result in them facing disciplinary action Workshops were held on a quarterly basis highlighting the process of handling invoices
<p>2. Irregular expenditure Irregular expenditure in the amount of R3 mil was incurred, as proper procurement processes and public service regulations were not followed</p>	2010/11	<ul style="list-style-type: none"> A request for condonation was done Requests for quotations have been amended to include the evaluation criteria. Checklists were amended such that a comprehensive check is done before payments are made or an order is created
<p>3. Material under-spending of the Rural Household Infrastructure Grant The Department materially underspent the budget on Programme 4 (sub-programme Rural Household Infrastructure Development) to the amount of R70,155,000 of a total allocation of R257,508.000</p>	2011/12	<ul style="list-style-type: none"> The Department appointed building contractors in addition to the existing implementing agent
<p>4. Restatement of prior year figures on lease commitments Figures on the financial statements in respect of the period ending 31 March 2012 were reinstated as a result of an error discovered during 2011/12</p>	2011/12	<ul style="list-style-type: none"> The Department has discontinued disclosing contingent liabilities relating to other spheres of government

17. EXEMPTION AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

No exemptions and deviations have been received from the National Treasury.

18. INTERIM FINANCIAL STATEMENTS

The Department submitted all the interim financial statements in terms of the applicable practice note.

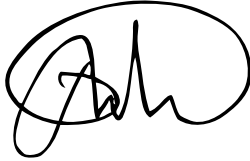
**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

19. OTHER MATERIAL MATTERS

There are no other material matters to be reported.

20. APPROVAL

The annual financial statements (pages 159–249) have been approved by the Accounting Officer.

A handwritten signature in black ink, consisting of a large, stylized 'T' and 'Z' followed by a cursive flourish.

**T ZULU
DIRECTOR-GENERAL
31 MAY 2013**

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2013

Report on the Financial Statements

Introduction

1. I have audited the financial statements of the national Department of Human Settlements (set out on pages 159 to 249), which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Officer's responsibility for the financial statements

2. The Accounting Officer is responsible for the preparation of these financial statements in accordance with Departmental financial reporting framework prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa (Act No. 1 of 1999) and the Division of Revenue Act of South Africa (Act No. 5 of 2012) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa (Act No. 25 of 2004; PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the national Department of Human Settlements as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with the Departmental financial reporting framework prescribed by National Treasury and the requirements of PFMA and DoRA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainties

8. With reference to note 18 to the financial statements, the department has disclosed an amount of R22 413 000 for invoices received from the Department of Public Works (DPW) for office accommodation. The department does not occupy the building; the ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Material underspending of the budget

9. As disclosed in the appropriation statement, the Department has materially under-spent the budget on Programme 4 (sub programme Rural Household Infrastructure Grant) to the amount of R135 059 000 on a total adjusted budget of R340 625 000. Of the amount spent, R126 011 000 related to payments made in the last month. As a consequence, the department has not achieved certain of its objectives to provide sanitation services to the rural communities.

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2013**

Additional matters

I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

10. The supplementary information set out on pages 217 to 249 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Financial reporting framework

11. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on the compliance framework should reflect that the financial statements have been properly prepared in accordance with this framework. Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore will reflect this requirement.

Report on other legal and regulatory requirements

12. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 18 to 94 of the annual report.

14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury framework for managing programme performance information*.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

15. The material findings are as follows:

USEFULNESS OF INFORMATION

Presentation

16. The National Treasury guide for the preparation of the annual report requires that explanations for variances between the planned and reported (actual) targets should be provided in all instances and should also be supported by adequate and reliable corroborating evidence. Adequate and reliable corroborating evidence could not be provided for all major variances as disclosed in the annual performance report. This was due to the absence of information systems regarding collecting and collating of supporting evidence.

Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the reliability of the reasons for major variances.

Consistency

17. Treasury Regulation 5.2.4 requires that the annual performance plan should form the basis for the annual report, thus requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 38% of the reported indicators and targets are not consistent or not complete with the indicators and targets as per the approved annual performance plan. This was due to management's lack of understanding of their reporting requirements during the strategic planning phase. There was also no monitoring of the completeness of the reporting of the annual performance report.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2013

Relevance

18. The National Treasury framework for managing programme performance information (FMPPi) requires that the indicator should relate logically and directly to an aspect of the institution's mandate, the realisation of strategic goals and objectives. A total of 25% of indicators did not relate logically and directly to an aspect of the institution's mandate and realisation of strategic goals and objectives as per the three-year strategic plan.

This was due to the lack of development and implementation of proper performance planning and management practices to provide for the development of performance indicators and targets included in the annual performance plan.

Reliability of information

19. The National Treasury FMPPi requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.

20. Significantly important targets with respect to Programme 2 (Human Settlements Delivery Frameworks) are not reliable when compared to the source information or evidence provided. This was due to the lack of monitoring of the completeness of source documentation in support of actual achievements.

21. Significantly important targets with respect to Programme 3 (Human Settlements Strategy and Planning) are not reliable when compared to the source information or evidence provided. This was due to the lack of monitoring of the completeness of source documentation in support of actual achievements.

22. Significantly important targets with respect to Programme 5 (Chief Financial Officer) are not reliable when compared to the source information or evidence provided. This was due to the lack of standard operating procedures for the accurate recording of actual achievements.

Additional matter

23. I draw attention to the matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

24. Of the total number of 146 targets planned for the year, 68 of targets were not achieved during the year under review. This represents 47% of total planned targets that were not achieved during the year under review.

25. This was as a result of the department not considering relevant systems and evidential requirements during the annual strategic planning process.

Compliance with laws and regulations

26. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Strategic planning and performance management

27. The Accounting Officer did not ensure that the Department had and maintained an effective, efficient and transparent system of internal control regarding performance management, which described and represented how the institution's processes of performance planning, monitoring, measurement, review and reporting was conducted, organised and managed, as required by section 38(1)(a)(i) and (b) of the PFMA.

Annual financial statements, performance and annual report

28. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA.

29. Material misstatements of expenditure for capital assets, prepayments, lease commitments, accruals, contingent liabilities and immovable assets disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2013**

Expenditure management

30. Payments were made in advance of the receipt of goods or services in contravention of Treasury Regulation 15.10.1.2.

Transfers and subsidies

31. A business plan for utilisation of the Human Settlements Development Grant allocation made to all nine provinces was not approved prior to the start of the financial year, as required by section 10(1)(a) of the DoRA.

Asset management

32. Proper control systems for the safeguarding and maintenance of assets were not implemented, as required by section 38(1)(d) of the PFMA and Treasury Regulation 10.1.1.a.

Human resource management and compensation

33. Persons in charge at pay points did not always certify that the employees receiving payment were entitled thereto as required by Treasury Regulation 8.3.4.

34. Funded vacant posts were not filled within 12 months as required by Public Service Regulation 1/VII/C.1A.2.

Internal control

35. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

36. The Accounting Officer did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance and related internal controls.

37. The Department did have an action plan to address matters identified by internal and external audits; however this plan was not adequate in its implementation to address material findings of prior years.

Financial and performance management

38. The Department did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

OTHER REPORTS

Investigations

39. The Public Protector was conducting an investigation into alleged financial misconduct by the Accounting Officer of the department. This matter was still ongoing from the prior year.

Special audits

40. The Office of the Auditor-General was requested on 29 November 2012 by the previous minister to conduct a special audit into the procurement, implementation, performance and project management of the Rural Household Infrastructure Grant (RHIG). The report had not been finalised on the date of the report.

Auditor-General

Pretoria
31 July 2013



NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Appropriation per programme									
APPROPRIATION STATEMENT	2012/13					2011/12			
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
1. ADMINISTRATION									
Current payment	247,920	(1,907)	(20,500)	225,513	172,288	53,225	76.4%	216,942	165,569
Transfers and subsidies	17	74	-	91	61	30	67.0%	50	45
Payment for capital assets	8,669	1,780	-	10,449	1,917	8,532	18.3%	5,107	1,930
Payment for financial assets	-	53	-	53	52	1	98.1%	12	8
	256,606	-	(20,500)	236,106	174,318	61,788		222,111	167,552
2. HOUSING POLICY, RESEARCH AND MONITORING									
Current payment	45,688	(246)	-	45,442	31,910	13,532	70.2%	38,623	32,629
Transfers and subsidies	50	103	-	153	119	34	77.8%	-	-
Payment for capital assets	981	136	-	1,117	326	791	29.2%	805	315
Payment for financial assets	-	7	-	7	3	4	42.9%	14	10
	46,719	-	-	46,719	32,358	14,361		39,442	32,954

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

APPROPRIATION STATEMENT	Appropriation per programme									
	2012/13					2011/12				
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
3. HOUSING PLANNING AND DELIVERY SUPPORT										
Current payment	221,213	(5,096)	(12,000)	204,117	125,323	78,794	61.4%	157,499	146,196	
Transfers and subsidies	12,490	4,898	-	17,388	17,359	29	99.8%	7,961	7,961	
Payment for capital assets	2,757	129	-	2,886	925	1,961	32.1%	34,541	33,185	
Payment for financial assets	-	69	-	69	61	8	88.4%	10	8	
	236,460	-	(12,000)	224,460	143,668	80,792		200,011	187,350	
4. HOUSING DEVELOPMENT FINANCE										
Current Payments	67,285	(37)	-	67,248	52,718	14,530	78.4%	63,821	45,376	
Transfers and subsidies	24,030,973	7	-	24,030,980	23,700,053	330,927	98.6%	21,875,605	21,872,588	
Payments for capital assets	341,818	30	-	341,848	206,037	133,107	61.1%	258,073	187,656	
Payments for financial assets	-	-	-	-	-	-		-	-	
	24,440,076	-	-	24,440,076	23,958,808	478,564		22,197,499	22,105,620	

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

		Appropriation per programme									
		2012/13					2011/12				
APPROPRIATION STATEMENT	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final appropriation R'000	Actual expenditure R'000		
5. STRATEGIC RELATIONS AND GOVERNANCE											
Current Payments	151,256	312	32,500	184,068	151,345	32,723	82,2%	162,158	104,481		
Transfers and subsidies	1,000	293	-	1,293	1,292	1	99,9%	1,020	476		
Payments for capital assets	5,688	(621)	-	5,067	1,472	3,595	29,1%	3,294	484		
Payments for financial assets	-	16	-	16	10	6	62,5%	6	3		
	157,944	-	32,500	190,444	154,119	36,325		166,478	105,444		
Subtotal	25,137,805	-	-	25,137,805	24,465,975	671,830	97,3%	22,825,541	22,598,920		
Statutory appropriation											

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

APPROPRIATION STATEMENT	Appropriation per programme									
	2012/13					2011/12				
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000	
Current payment	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-	-
TOTAL	25,137,805	-	-	25,137,805	24,463,271	671,830	97,3%	22,825,541	22,598,920	

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

	2012/13		2011/12	
	Final appropriation	Actual expenditure	Final appropriation	Actual expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	1,039		610	
Direct Exchequer receipts	-		-	
NRF Receipts	-		-	
Aid assistance	-		-	
Actual amounts per statement of financial performance (total revenue)	25,138,844		22,826,151	
ADD				
Aid assistance	-			-
Direct Exchequer payments				
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		24,463,271		22,598,920

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Appropriation per economic classification									
2012/13									
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	409,280	(116,837)	(2,500)	289,943	249,834	40,109	86,2%	274,120	242,748
Goods and services	324,086	109,859	2,500	436,445	283,752	152,693	65,0%	364,318	251,306
Interest and rent on land	-	-	-	-	-	-	-	605	197
Transfers and subsidies									
Provinces and municipalities	23,118,165	-	-	23,118,165	22,787,238	330,927	98,6%	21,388,514	21,388,514
Departmental agencies and accounts	912,808	-	-	912,808	912,808	-	100,00%	487,091	484,074
Universities and technikons	3,090	-	-	3,090	3,090	-	100,00%	-	-
Foreign governments and international organisations	1,000	280	-	1,280	1,279	1	99,9%	1,000	462
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	400	20	-	420	420	-	100,0%	20	14
Households	9,067	5,075	-	14,142	14,049	93	99,3%	8,011	8,006
Gifts and donations	-	-	-	-	-	-	-	-	-

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Appropriation per economic classification										
2012/13										
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure	2011/12
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Payments for capital assets										
Buildings and other fixed structures	340,625	-	-	340,625	205,566	135,059	60.3%	289,832	219,677	
Machinery and equipment	17,728	(1,552)	-	16,176	5,079	11,097	31.4%	11,753	3,870	
Heritage assets	-	-	-	-	-	-	-	-	-	
Specialised military assets	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	
Land and subsoil assets	-	-	-	-	-	-	-	-	-	
Software and other intangible assets	1,556	3,010	-	4,566	30	4,536	0.7%	235	28	
Payments for financial assets	-	145	-	145	126	19	86.9%	42	24	
Total	25,137,805	-	-	25,137,805	24,463,271	674,534	97.3%	22,825,541	22,598,920	

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Statutory appropriation									
Direct changes against the national/ provincial revenue fund	2012/13					2011/12			
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
List all direct charges against the national/ provincial revenue fund	-	-	-	-	-	-	-	-	-
President and deputy president salaries	-	-	-	-	-	-	-	-	-
Member of executive committee / parliamentary officers	-	-	-	-	-	-	-	-	-
Judges and magistrates salaries	-	-	-	-	-	-	-	-	-
Sector education and training authorities (SETA)	-	-	-	-	-	-	-	-	-
National Skills Fund	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per Programme 1: Administration

Detail per sub-programme	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
1.1. MINISTRY									
Current payment	29,450	5,685		35,115	30,192	4,923	86.0%	29,608	25,751
Transfers and subsidies		26		26	-	26			
Payment for capital assets	1,054	90		1,144	113	1,031	9.96%	257	97
Payment for financial assets		49		49	48	1	98.0%		
1.2. MANAGEMENT									
Current payment	90,408	(6,588)	(20,500)	63,320	51,605	11,715	81.5%	76,424	54,448
Transfers and subsidies		10		10	7	3	70.0%		
Payment for capital assets	1,371	724		2,095	468	1,627	22.3%	1,739	701
Payment for financial assets		4		4	4	-	100.0%		
1.3. CORPORATE SERVICES									
Current payment	86,926	1,996		88,922	70,089	18,833	78.8%	82,142	67,784
Transfers and subsidies	17	38		55	54	1	98.2%	50	45
Payment for capital assets	6,244	966		7,210	1,336	5,874	18.5%	3,111	1,132
Payment for financial assets				-		-		12	8

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
1.4. OFFICE ACCOMODATION									
Current payment	41,156	(3,000)		38,156	20,402	17,754	53.5%	28,768	17,586
Transfers and subsidies				-	-	-			
Payment for capital assets				-	-	-			
Payment for financial assets				-	-	-			
Total	256,606	-	(20,500)	236,106	174,318	61,788	73.8%	222,111	167,552

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Programme 1 per economic classification	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	93,882	(1,612)	(500)	91,770	80,421	11,349	87.6%	82,022	76,186
Goods and services	154,033	(290)	(20,000)	133,743	91,866	41,877	68.7%	134,689	89,255
Interest and rent on land	280	(5)		275	129	146	46.9%	231	128
Transfers and subsidies to:									
Provinces and municipalities				-					
Departmental agencies and accounts				-					
Universities and technikons				-					
Foreign governments and international organisations				-					
Public corporations and private enterprises				-					
Non-profit institutions				-					
Households	17	74		91	61	30	67.0%	50	45
Gifts and donations				-					
Payment for capital assets									
Buildings and other fixed structures				-					

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Programme 1 per economic classification	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Machinery and equipment	8,244	(1,535)		6,709	1,888	4,821	28.1%	4,997	1,907
Heritage assets				-		-			
Specialised military assets				-		-			
Biological assets				-		-			
Land and subsoil assets				-		-			
Software and other intangible assets	430	3,310		3,740	30	3,710	0.8%	110	28
Payments for financial assets		53		53	52	1	98.1%	12	3
Total	256,606	-	(20,500)	236,106	174,318	61,788	73.8%	222,111	167,552

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per Programme 2: Housing Policy, Research and Monitoring

Detail per sub-programme	2012/13					2011/12			
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
2.1. MANAGEMENT									
Current payment	2,430			2,430	2,123	307	87.4%	2,256	1,949
Transfers and subsidies				-		-			
Payment for capital assets	71			71	37	34	52.1%	60	15
Payment for financial assets				-		-		5	1
2.2. POLICY DEVELOPMENT									
Current payment	10,088	(161)		9,927	8,132	1,795	81.9%	8,633	7,529
Transfers and subsidies		103		103	103	-	100.0%		
Payment for capital assets	78	56		134	84	50	62.7%	123	95
Payment for financial assets		2		2	2	-	100.0%		
2.3. RESEARCH									
Current payment	12,839			12,839	9,827	3,012	76.5%	10,139	7,080
Transfers and subsidies				-		-			
Payment for capital assets	325			325	66	259	20.3%	53	38
Payment for financial assets				-		-			

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
2.4. MONITORING AND EVALUATION									
Current payment	20,331	(85)		20,246	11,828	8,418	58.4%	17,595	16,071
Transfers and subsidies	50			50	16	34	32.0%		
Payment for capital assets	507	80		587	139	448	21.7%	569	167
Payment for financial assets		5		5	1	4	20.0%	9	9
Total	46,719	-	-	46,719	32,358	14,361	69.3%	39,442	32,954

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Programme 2 per economic classification	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	26,693	(1,995)		24,698	19,769	4,929	80.0%	25,192	22,319
Goods and services	18,995	1,749		20,744	12,141	8,603	58.5%	13,392	10,302
Interest and rent on land	-			-	-	-		39	8
Transfers and subsidies to:									
Provinces and municipalities				-		-			
Departmental agencies and accounts				-		-			
Universities and technikons				-		-			
Foreign governments and international organisations				-		-			
Public corporations and private enterprises				-		-			
Non-profit institutions				-		-			
Households	50	103		153	119	34	77.8%		
Gifts and donations				-		-			
Payment for capital assets									
Buildings and other fixed structures				-		-			

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Programme 2 per economic classification	2012/13							2011/12	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Machinery and equipment	981	136		1,117	326	791	29.2%	805	315
Heritage assets				-	-	-			
Specialised military assets				-	-	-			
Biological assets				-	-	-			
Land and subsoil assets				-	-	-			
Software and other intangible assets				-	-	-			
Payments for financial assets		7		7	3	4	42.9%	14	10
Total	46,719	-	-	46,719	32,358	14,361	69.3%	39,442	32,954

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per Programme 3: Housing Planning and Delivery Support

Detail per sub-programme	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
3.1. MANAGEMENT									
Current payment	2,724			2,724	713	2,011	26.2%	1,597	1,264
Transfers and subsidies				-		-			
Payment for capital assets	163			163	65	98	39.9%	141	123
Payment for financial assets				-		-			
3.2. PROGRAMME IMPLEMENTATION SUPPORT									
Current payment	83,717	(5,615)	(12,000)	66,102	8,803	57,299	13.3%	7,981	6,233
Transfers and subsidies				-		-			
Payment for capital assets	63			63		63		260	19
Payment for financial assets				-		-		2	1
3.3. RENTAL HOUSING AND PEOPLE'S HOUSING PROCESS									
Current payment	13,208	(129)		13,079	7,749	5,330	52.9%	15,412	14,380
Transfers and subsidies				50	25	25	50.0%		
Payment for capital assets	100	70		170	12	158	7.1%	83	55
Payment for financial assets				10	3	7	30.0%		

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
3.4. STAKEHOLDER MOBILISATION									
Current payment	14,306	4,035		18,341	17,141	1,200	93.5%	15,790	14,702
Transfers and subsidies		18		18	18	-	100.0%		
Payment for capital assets	280	18		298	124	174	41.6%	253	146
Payment for financial assets		1		1	1	-	100.0%		
3.5. CAPACITY DEVELOPMENT									
Current payment	19,195	(689)		18,506	18,342	164	99.1%	32,072	30,627
Transfers and subsidies	12,090	4,820		16,910	16,909	1	100.0%	7,961	7,961
Payment for capital assets	169	11		180	103	77	57.2%	361	152
Payment for financial assets		17		17	17	-	100.0%	1	1
3.6. PRIORITY PROJECT FACILITATION									
Current payment	8,871	(415)		8,456	3,698	4,758	43.7%	4,956	3,971
Transfers and subsidies				-	-	-			
Payment for capital assets	259	15		274	62	212	22.6%	235	77
Payment for financial assets				-	-	-			

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
3.7. HUMAN SETTLEMENT PLANNING									
Current payment	12,043	375		12,418	8,587	3,831	69.1%	9,397	8,809
Transfers and subsidies	400	10		410	407	3	99.3%		
Payment for capital assets	157	15		172	67	105	39%	219	180
Payment for financial assets				-		-		2	1
3.8 SANITATION SERVICES									
Current payment	67,149	(2,658)		64,491	60,290	4,201	93.5%	70,294	66,210
Transfers and subsidies				-		-			
Payment for capital assets	1,566			1,566	492	1,074	31.4%	32,989	32,433
Payment for financial assets		41		41	40	1	97.6%	5	5
Total	236,460	-	(12,000)	224,460	143,668	80,792	64.0%	200,011	187,350

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Program 3 per economic classification	2012/13							2011/12	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	89,493	(11,898)		77,595	67,249	10,346	86.7%	68,339	65,321
Goods and services	131,704	6,818	(12,000)	126,522	58,074	68,448	45.9%	89,021	80,842
Interest and rent on land								139	33
Transfers and subsidies									
Provinces and municipalities				-					
Departmental agencies and accounts									
Universities and technikons	3,090			3,090	3,090		100.0%		
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions	400			400	400		100%		
Households	9,000	4,898		13,898	13,869	29	99.8%	7,961	7,961
Gifts and donations									

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Program 3 per economic classification	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Payments for capital assets									
Buildings and other fixed structures				-		-		32,324	32,324
Machinery and equipment	2,747	113		2,860	925	1,935	32.3%	2,192	861
Heritage assets				-		-			
Specialised military assets				-		-			
Biological assets				-		-			
Land and subsoil assets				-		-			
Software and other intangible assets	26			26		26		25	
Payments for financial assets		69		69	61	8	88.4%	10	8
Total	236,460	-	(12,000)	224,460	143,668	80,792	64.0%	200,011	187,350

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per Programme 4: Housing Development Finance

Detail per sub-programme	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
4.1. MANAGEMENT									
Current payment	2,942			2,942	1,678	1,264	57.0%	2,778	1,153
Transfers and subsidies				-		-			
Payment for capital assets	71			71		71		38	25
Payment for financial assets				-		-			
4.2. FINANCIAL AND FUNDS MANAGEMENT									
Current payment	54,012	(37)		53,975	43,278	10,697	80.2%	50,954	38,158
Transfers and subsidies				7	7	-	100.0%		
Payment for capital assets	821	30		851	438	413	51.5%	422	220
Payment for financial assets				-		-			
4.3. HOUSING EQUITY									
Current payment	10,331			10,331	7,762	2,569	75.1%	10,089	6,065
Transfers and subsidies				-		-			
Payment for capital assets	301			301	33	268	11%	105	58
Payment for financial assets				-		-			

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
4.4. HUMAN SETTLEMENT DEVELOPMENT GRANT									
Current payment				-					
Transfers and subsidies	15,725,959			15,725,959	15,395,032	330,927	97.9%	14,941,516	14,941,516
Payment for capital assets				-					
Payment for financial assets				-					
4.5. CONTRIBUTION									
Current payment				-					
Transfers and subsidies	912,808			912,808	912,808	-	100.0%	487,091	484,074
Payment for capital assets				-					
Payment for financial assets				-					
4.6. RURAL HOUSEHOLDS INFRASTRUCTURE DEVELOPMENT									
Current payment				-					
Transfers and subsidies				-					
Payment for capital assets	340,625			340,625	205,566	132,355	61.1%	257,508	187,353
Payment for financial assets				-					

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
4.7. SANITATION GRANT									
Current payment				-		-			
Transfers and subsidies				-		-			
Payment for capital assets				-		-			
Payment for financial assets				-		-			
4.8. HOUSING DISASTER RELIEF GRANT									
Current payment				-		-			
Transfers and subsidies				-		-		180,000	180,000
Payment for capital assets				-		-			
Payment for financial assets				-		-			
4.9. BACKLOGS IN W&S AT SCH&CLNC GR									
Current payment				-		-			
Transfers and subsidies				-		-			
Payment for capital assets				-		-			
4.10. URBAN SETTLEMENTS DEV GRNT									
Current payment	7,392,206			7,392,206	7,392,206	-	100.0%	6,266,998	6,266,998
Transfers and subsidies				-		-			
Payment for capital assets				-		-			
Payment for financial assets				-		-			
Total	24,440,076	-	-	24,440,076	23,958,808	481,268	98%	22,197,499	22,105,620

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Programme 4 per economic classification	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	47,931	(5,431)		42,500	34,841	7,659	82.0%	43,634	32,091
Goods and services	19,354	5,394		24,748	17,877	6,871	72.2%	20,111	13,273
Interest and rent on land				-		-		76	12
Transfers and subsidies to:									
Provinces and municipalities	23,118,165			23,118,165	22,787,238	330,927	98.6%	21,388,514	21,388,514
Departmental agencies and accounts	912,808			912,808	912,808	-	100.0%	487,091	484,074
Universities and technikons				-		-			
Foreign governments and international organisations				-		-			
Public corporations and private enterprises				-		-			
Non-profit institutions		7		7	7	-	100.0%		
Households				-		-			
Gifts and donations				-		-			

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Programme 4 per economic classification	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Payment for capital assets									
Buildings and other fixed structures	340,625			340,625	205,566	132,355	61.1%	257,508	187,353
Machinery and equipment	1,193	30		1,223	471	752	38.5%	565	303
Heritage assets				-	-	-			
Specialised military assets				-	-	-			
Biological assets				-	-	-			
Land and subsoil assets				-	-	-			
Software and other intangible assets				-	-	-			
Payments for financial assets				-	-	-			
Total	24,440,076	-	-	24,440,076	23,958,808	478,584	98%	22,197,499	22,105,620

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per Programme 5: Strategic Relations and Governance

Detail per sub-programme	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
5.1. MANAGEMENT									
Current payment	3,287	(23)		3,264	2,306	958	70.6%	5,277	2,923
Transfers and subsidies				-		-			
Payment for capital assets	18	23		41	37	4	90.2%	60	28
Payment for financial assets				-		-			
5.2. MANAGEMENT INFORMATION SERVICES									
Current payment	62,440	(5,337)	(16,300)	40,803	30,533	10,270	74.8%	57,659	17,630
Transfers and subsidies				-		-		20	14
Payment for capital assets	3,585	(226)		3,359	1,019	2,340	30.3%	907	112
Payment for financial assets				-		-			
5.3. INTER-GOVERNMENTAL AND INTERNATIONAL RELATIONS									
Current payment	13,690	(40)		13,650	10,688	2,962	78.3%	21,080	19,874
Transfers and subsidies				-		-			
Payment for capital assets	195	31		226	45	181	19.9%	170	77
Payment for financial assets		10		10	4	6	40.0%	5	2
5.4. COMMUNICATION									
Current payment	45,912	614	12,000	58,526	48,713	9,773	83.3%	45,438	36,968
Transfers and subsidies		13		13		-	100.0%		
Payment for capital assets	1,336	(589)		747	92	655	12.3%	1,753	123
Payment for financial assets		2		2		-	100.0%		

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
5.5. HOUSING INSTITUTIONS									
Current payment	10,567	3,970	36,800	51,337	45,123	6,214	87,9%	11,554	7,800
Transfers and subsidies				-	-	-			
Payment for capital assets	300	30		330	134	196	40,6%	129	17
Payment for financial assets				-					
5.6. STRATEGIC MANAGEMENT									
Current payment	7,763	(290)		7,473	5,833	1,640	78,1%	13,734	12,025
Transfers and subsidies				-					
Payment for capital assets	219	10		229	40	189	17,5%	247	110
Payment for financial assets				-					
5.7. TRANSFORMATION									
Current payment	7,597	1,458		9,055	8,149	906	90%	7,416	7,261
Transfers and subsidies				-					
Payment for capital assets	35	100		135	105	30	77,8%	28	17
Payment for financial assets		4		4	4	-	100%	1	1
5.8. CONTRIBUTION									
Current payment	1,000			1,280	1,279	1	99,9%	1,000	462
Transfers and subsidies									
Payment for capital assets	300								
Payment for financial assets									
Total	157,944	-	32,500	190,444	154,119	36,325	80,9%	166,478	105,444

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Program 5 per economic classification	2012/13						2011/12		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	151,281	(95,901)	(2,000)	53,380	47,554	5,826	89.1%	54,933	46,831
Goods and services		96,188	34,500	130,688	103,794	26,894	79.4%	107,105	57,634
Interest and rent on land		-				-		120	16
Transfers and subsidies									
Provinces and municipalities				-		-			
Departmental agencies and accounts				-		-			
Universities and technikons				-		-			
Foreign governments and international organisations	1,000	280		1,280	1,279	1	99.9%	1,000	462
Public corporations and private enterprises				-		-			
Non-profit institutions		13		13	13	-	100.0%	20	14
Households				-		-			
Gifts and donations				-		-			
Payments for capital assets									
Buildings and other fixed structures	4,563	(296)		4,267	1,469	2,798	34.4%	3,194	484
Machinery and equipment				-		-			

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Program 5 per economic classification	2012/13							2011/12	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Heritage assets				-		-			
Specialised military assets				-		-			
Biological assets				-		-			
Land and subsoil assets	1,100	(300)		800		800		100	
Software and other intangible assets				16	10	6	62.5%	6	3
Payments for financial assets									
Total	157,944	-	32,500	190,444	154,119	36,325	80.9%	166,478	105,444

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2013

1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT):

Detail of these transactions can be viewed in the note on transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.

3. DETAIL ON PAYMENTS FOR FINANCIAL ASSETS

Detail of these transactions per programme can be viewed in the note on payments for financial assets to the annual financial statements.

4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT):

4.1. Per programme	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	
1. Administration	236,106	174,318	61,788	26%
2. Housing Policy, Research and Monitoring	46,719	32,358	14,361	31%
3. Housing Planning and Delivery Support	224,460	143,668	80,792	36%
4. Housing Development Finance	24,440,076	23,961,512	478,564	2%
5. Strategic Relations and Governance	190,444	154,119	36,325	19%
TOTAL	25,137,805	24,465,975	671,830	3%

Reasons for under-spending
Programme 1: Administration

The total adjusted budget of Programme 1 amounted to R236.1 mil of which R174.3 mil was spent. The variance of R61.7 mil can be attributed to the following:

- Funds provided for the Special Investigation Unit (SIU) that could not be fully utilised. Challenges were experienced with the SIU not providing the Department with invoices due to changes to the SIU's legislation. R51 mil was originally allocated and was adjusted to R30.5 mil through an approved virement. A total of R23.9 mil, which is 78% of adjusted allocation, was spent in this financial year.
- Funds provided for the leasing of additional office accommodation could also not be utilised. This contributed largely to the non-filling of vacancies and spending on personnel compensation. Negotiations between the Department and the Department of Public Works were held to resolve the issues. However, due to problems within DPW, the finalisation of negotiations was delayed. About 53% of the budget for leasing of buildings was paid to DPW, leaving an amount of R17.7 mil unspent, funds meant to pay for 260 Justice Mohamed Street.
- Furthermore the non-filling of vacancies due to a lack of office space resulted in under-expenditure not only on the compensation budget but also on employee-related costs.

Programme 2: Housing Policy, Research and Monitoring

The programme under-spent by 31%. The under-spending is as a result of the following:

In the CD: Housing Policy the project "Design and the determination of the development cost of residential status and typologies" started late in the financial year. overlapping to the 2013/14 financial year.

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2013**

The CD: Research put the following bids on hold for further consultation with stakeholders (this affected the planned targets and spending of the units):

- The integrated residential development programme: looking back and moving forward.
- The evaluation of provincial and municipal response to the Urban Settlements Development Grant.

Programme 3: Housing Planning and Delivery Support.

The programme under-spent by 36%. The under-spending is as a result of:

- Delay in the implementation of the National Upgrading Support Programme (NUSP) which takes up 30% of the branch's budget.
- Out of the adjusted budget of R55 mil only R1.6 mil has been spent, or 3%, leaving a balance of R53.3 mil.

Programme 4: Housing Development Finance.

The programme under-spent by 2%. The under-spending is as a result of:

- On the Human Settlements Development Grant R330.9 mil was stopped from being transferred to the Eastern Cape (R284.8 mil) and Limpopo (R46 mil), due to underperformance.
- Of an adjusted budget of R340.6 mil for the Rural Households Infrastructure Development Grant, R240 mil (70%) was spent, leaving a balance of R100.5 mil unspent. The building of toilets for the 2012/13 financial year was delayed because the service providers had to finish work from the previous financial year. Additional service providers were appointed during the last quarter of the financial year to help to finalise the projects, but at year end, work was still underway.

Programme 5: Strategic Relations and Governance.

The programme under-spent by 19%. The under-spending is as a result of:

- Advertising relating to Departmental media campaigns for which service providers were appointed late and at year end only part of the work was concluded by the service provider.
- Inability of SITA to provide resources at an adequate level to maintain the Housing Subsidy System (HSS) as stipulated in the SLA. SITA could only provide limited resources resulting in under-spending. The budget was adjusted from R50 mil to R26.4 mil as funds had to be shifted to fund SERVCON closure. Of the adjusted budget of R26.4 mil for HSS maintenance, R20.9 mil (79%) has been paid.

Per economic classification:	Final appropriation	Actual expenditure	Variance	Variance as a % of final approp.
	R'000	R'000	R'000	%
Current payments				
Compensation to employees	289,943	249,834	40,109	14%
Goods and services	436,445	283,752	152,693	35%
Interest and rent on land	937	342	595	64%
Unauthorised expenditure approved				
Transfers & subsidies				
Provinces & municipalities	23,118,165	22,787,238	330,927	1%
Departmental agencies & accounts	912,808	912,808	-	0%
Universities & technikons	3,090	3,090	-	0%
Foreign governments & international organisations	1,280	1,279	1	0%
Public corporations & private enterprises	-	-	-	0%
Non-profit institutions	20	20	-	0%

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2013**

Households	14,142	14,049	93	1%
Gifts and donations	400	400	-	0%
Payment on capital assets				
Buildings & other fixed structures	340,625	205,566	135,059	30%
Machinery & equipment	15,239	4,737	10,502	69%
Biological or cultivated assets			-	0%
Software & other intangible assets	4,566	30	4,536	99%
Land & subsoil assets	-	-	-	0%
Payments for financial assets	145	126	19	13%
Total	25,137,805	24,463,271	674,533	3%

Compensation to employees

The under-spending in compensation of employees can be attributed the lack of office space.

Goods and services

Under-spending in goods and services can be attributed to the following:

- Funds provided for the SIU that could not be fully utilised. Challenges were experienced with the SIU not providing the Department with invoices due to changes to the SIU's legislation. R51 mil was originally allocated and was adjusted to R30.5 mil through an approved virement. A total of R23.9 mil, which is 78% of adjusted allocation, was spent in this financial year.
- Funds provided for the leasing of additional office accommodation could also not be utilised. This contributed largely to the non-filling of vacancies and spending on personnel compensation. Negotiations between the Department and the Department of Public Works were held to resolve the issues. However due to problems within DPW, the finalisation of negotiations was delayed. About 53% of the budget for leasing of buildings was paid to DPW leaving an amount of R17.7 mil unspent, funds meant to pay for 260 Justice Mohamed Street.

The CD: Research put the following bids on hold for further consultation with stakeholders (this affected the planned targets and spending of the units):

- The integrated residential development programme: looking back and moving forward.
- The evaluation of provincial and municipal response to the Urban Settlements Development Grant.
- Delay in the implementation of the National Upgrading Support Programme (NUSP), which takes up 30% of the branch's budget.
- Advertising relating to Departmental media campaigns for which service providers were appointed late and at year end only part of the work was concluded by the service provider.
- Inability of SITA to provide resources at an adequate level to maintain the Housing Subsidy System (HSS) as stipulated in the SLA. SITA could only provide limited resources resulting in under-spending.

Transfers & subsidies

Under-spending in Transfers & subsidies can be attributed to the following:

- On the Human Settlements Development Grant R330.9 mil was stopped from being transferred to the Eastern Cape (R284.8 mil) and Limpopo (R46 mil), due to underperformance.

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2013**

Machinery & equipment

Under-spending in Machinery & equipment can be attributed to the following:

- Of an adjusted budget of R340.6 mil for the Rural Households Infrastructure Development Grant, R205 mil (60%) was spent, leaving a balance of R135 mil unspent. The building of toilets for the 2012/13 financial year was delayed because the service providers had to finish work from the previous financial year. Additional service providers were appointed during the last quarter of the financial year to help to finalise the projects, but at year end, work was still underway.

Per conditional grant

Per conditional grant	Final appropriation	Actual expenditure	Variance	Variance as a % of final approp.
	R'000	R'000	R'000	%
Human Settlements Development Grant	15,725,959	15,395,032	330,927	2%
Urban Settlements Development Grant	7,392,206	7,392,206	-	0%

On the Human Settlements Development Grant, R330.9 mil was stopped from being transferred in terms of the Division of Revenue Act: the Eastern Cape (R284.8 mil) and Limpopo (R46 mil) did not receive funds due to under-performance.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2013

PERFORMANCE	Note	2012/13	2011/12
		R'000	R'000
REVENUE			
Annual appropriation	1	25,137,805	22,825,541
Departmental revenue	2	1,039	610
TOTAL REVENUE		25,138,844	22,826,151
EXPENDITURE			
Current expenditure			
Compensation of employees	3	249,834	242,748
Goods and services	4	283,752	251,306
Interest and rent on land	5	-	197
Total current expenditure		533,586	494,251
Transfers and subsidies			
Transfers and subsidies	7	23,718,884	21,881,070
Total transfers and subsidies		23,718,884	21,881,070
Expenditure for capital assets			
Tangible capital assets	8	210,645	223,547
Software and other intangible assets	8	30	28
Total expenditure for capital assets		210,675	223,575
Payments for financial assets	6	126	24
TOTAL EXPENDITURE		24,463,271	22,598,920
SURPLUS/(DEFICIT) FOR THE YEAR		675,573	227,231
Reconciliation of net surplus/(deficit) for the year			
Voted funds		674,534	226,621
Departmental revenue and NRF receipts	14	1,039	610
SURPLUS/(DEFICIT) FOR THE YEAR		675,573	227,231

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2013

POSITION	Note	2012/13	2011/12
		R'000	R'000
ASSETS			
Current assets		675,185	226,891
Cash and cash equivalents	9	623,562	219,801
Prepayments and advances	10	48,149	5,319
Receivables	11	3,474	1,771
Non-current assets		880,604	880,604
Investments	12	880,604	880,604
TOTAL ASSETS		1,555,789	1,107,495
LIABILITIES			
Current liabilities		674,988	226,719
Voted funds to be surrendered to the revenue fund	13	674,535	226,621
Departmental revenue and NRF receipts to be surrendered to the revenue fund	14	164	12
Payables	15	289	86
Non-current liabilities		674,988	226,719
TOTAL LIABILITIES		880,801	880,776
NET ASSETS			

	Note	2012/13	2011/12
		R'000	R'000
Represented by:			
Capitalisation reserve		880,604	880,604
Recoverable revenue		197	172
TOTAL		880,801	880,776

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2013

NET ASSETS	Note	2012/13	2011/12
		R'000	R'000
Capitalisation reserves			
Opening balance		880,604	880,604
Closing balance		880,604	880,604
Recoverable revenue			
Opening balance		172	144
Transfers:		25	28
Debts recovered (included in departmental receipts)		25	28
Closing balance		197	172
TOTAL		880,801	880,776

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
CASH FLOW STATEMENT
for the year ended 31 March 2013

CASH FLOW	Note	2012/13	2011/12
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		25,138,844	22,826,151
Annual appropriated funds received	1.1	25,137,805	22,825,541
Departmental revenue received	2	1,039	610
Net (increase)/decrease in working capital		(44,330)	(8,716)
Surrendered to revenue fund		(227,507)	(200,452)
Current payments		(533,586)	(494,251)
Payments for financial assets		(126)	(24)
Transfers and subsidies paid		(23,718,884)	(21,881,070)
Net cash flow available from operating activities	16	614,411	241,638
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(210,675)	(223,575)
Net cash flows from investing activities		(210,675)	(223,575)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		25	28
Net cash flows from financing activities		25	28
Net increase/(decrease) in cash and cash equivalents		403,761	18,091
Cash and cash equivalents at beginning of period		219,801	201,710
Cash and cash equivalents at end of period	17	623,562	219,801

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
ACCOUNTING POLICIES
for the year ended 31 March 2013

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate, meaningful additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (Act No. 1 of 1999, as amended by Act No. 29 of 1999), and the Treasury regulations issued in terms of the Act and the Division of Revenue Act (Act No. 1 of 2010).

1. PRESENTATION OF THE FINANCIAL STATEMENTS

1.1. Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The "modification" results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition, supplementary information is provided in the disclosure notes to the financial statements where it is deemed to be useful to the users of the financial statements.

1.2. Presentation currency

All amounts have been presented in the currency of the South African rand (R), which is also the functional currency of the Department.

1.3. Rounding

Unless otherwise stated all financial figures have been rounded to the nearest thousand rand (R'000).

1.4. Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5. Comparative figures - appropriation statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the appropriation statement.

2. REVENUE

2.1. Appropriated funds

Appropriated funds comprise departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Unexpended appropriated funds are surrendered to the national/provincial revenue fund. Any amounts owing to the national/provincial revenue fund at the end of the financial year are recognised as payable in the statement of financial position.

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Any amount due from the national/provincial revenue fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2. Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the national/provincial revenue fund, unless stated otherwise.

Any amount owing to the national/provincial revenue fund at the end of the financial year is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

2.3. Direct exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the national/provincial revenue fund, unless stated otherwise.

Any amount owing to the national/provincial revenue funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4. Direct exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5. Aid assistance

Aid assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the annual financial statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year).

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA-earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year).

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

3. EXPENDITURE

3.1. Compensation of employees

3.1.1. Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2. Social contributions

Employer contributions to post-employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the Department. Any potential liabilities are disclosed in the financial statements of the national revenue fund and not in the financial statements of the employer department.

Employer contributions made by the Department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2. Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5,000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

3.3. Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4. Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written off are limited to the amount of savings and/or under-spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements.

All other losses are recognised when authorisation has been granted for the recognition thereof.

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

3.5. Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6. Unauthorised expenditure

When confirmed, unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date stipulated in the Act.

3.7. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8. Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

4. ASSETS

4.1. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2. Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3. Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

4.4. Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write off. Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5. Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6. Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7. Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.8. Capital assets

4.8.1. Movable assets

Initial recognition

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register of the Department on completion of the project.

Repairs and maintenance is expensed as current goods and services in the statement of financial performance.

4.8.2. Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as expenditure for capital assets. On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current goods and services in the statement of financial performance.

4.8.3. Intangible assets

Initial recognition

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.*

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as expenditure for capital asset and is capitalised in the asset register of the Department.

Maintenance is expensed as current goods and services in the statement of financial performance.

5. LIABILITIES

5.1. Payables

Recognised payables mainly comprise amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2. Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the Department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3. Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4. Commitments

Commitments are not recognised in the statement of financial position as liabilities or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5. Accruals

Accruals are not recognised in the statement of financial position as liabilities or as expenditure in the statement of financial performance but are included in the disclosure notes.

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

5.6. Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.7. Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as a capital expense in the statement of financial performance and are not apportioned between the capital and the interest portions. The total finance lease payment is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8. Impairment

The Department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows/service potential flowing from the instrument.

5.9. Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. RECEIVABLES FOR DEPARTMENTAL REVENUE

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements. These receivables are written off when identified as irrecoverable and are disclosed separately.

7. NET ASSETS

7.1. Capitalisation reserve

The capitalisation reserve comprises financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the national/provincial revenue fund when the underlying asset is disposed and the related funds are received.

7.2. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the national/provincial revenue fund when recovered or are transferred to the statement of financial performance when written off.

8. RELATED PARTY TRANSACTIONS

Specific information with regard to related party transactions is included in the disclosure notes.

9. KEY MANAGEMENT PERSONNEL

Compensation paid to key management personnel, including their family members where relevant, is included in the disclosure notes.

10. PUBLIC PRIVATE PARTNERSHIPS

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement are included in the disclosure notes.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

1. ANNUAL APPROPRIATION

1.1. Annual appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for national departments (voted funds) and provincial departments:

	2012/13			2011/12
	Final appropriation	Actual funds received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	236,106	236,106	-	233,111
Housing Policy, Research and Monitoring	46,719	46,719	-	39,442
Housing Planning and Delivery Support	224,460	224,460	-	195,011
Housing Development Finance	24,440,076	24,440,076	-	22,197,499
Strategic Relations and Governance	190,444	190,444	-	160,478
Total	25,137,805	25,137,805	-	22,825,541

2. DEPARTMENTAL REVENUE

	Note	2012/13	2011/12
		R'000	R'000
Sales of goods and services other than capital assets	2.1	170	302
Interest, dividends and rent on land	2.3	90	23
Transactions in financial assets and liabilities	2.3	779	285
Total revenue collected		1,039	610
Departmental revenue collected		1,039	610

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2.1. Sales of goods and services other than capital assets

	Note	2012/13	2011/12
	<u>2</u>	R'000	R'000
Sales of goods and services produced by the Department		167	300
Sales by market establishment		47	196
Other sales		120	104
Sales of scrap, waste and other used current goods		3	2
Total		170	302

2.2. Interest, dividends and rent on land

	Note	2012/13	2011/12
	<u>2</u>	R'000	R'000
Interest		90	23
Total		90	23

2.3. Transactions in financial assets and liabilities

	Note	2012/13	2011/12
	<u>2</u>	R'000	R'000
Receivables		-	43
Other receipts including recoverable revenue		779	242
Total		779	285

3. COMPENSATION OF EMPLOYEES

3.1. Salaries and wages

	Note	2012/13	2011/12
		R'000	R'000
Basic salary		169,318	162,817
Performance award		4,516	4,305
Service-based		938	664
Compensative/circumstantial		4,935	5,577
Other non-pensionable allowances		41,755	41,512
Total		221,462	214,875

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3.2. Social contributions

	Note	2012/13	2011/12
		R'000	R'000
Employer contributions			
Pension		19,728	19,310
Medical		8,610	8,528
Bargaining council		34	35
Total		28,372	27,873
Total compensation of employees			
		249,834	242,748
Average number of employees		655	876

4. GOODS AND SERVICES

	Note	2012/13	2011/12
		R'000	R'000
Administrative fees		299	357
Advertising		21,111	10,393
Assets less than R5,000	4.1	764	1,591
Bursaries (employees)		996	1,135
Catering		7,363	3,695
Communication		8,327	8,103
Computer services	4.2	32,517	12,855
Consultants, contractors and agency/outsourced services	4.3	102,196	107,448
Entertainment		168	223
Audit cost – external	4.4	7,018	5,208
Fleet services		688	88
Inventory	4.5	6,392	4,718
Housing		-	-
Operating leases		16,789	17,962
Property payments	4.6	5,928	4,204
Travel and subsistence	4.7	57,447	56,513
Venues and facilities		10,816	11,359
Training and staff development		2,628	3,197
Other operating expenditure	4.8	2,305	2,257
Total		283,752	251,306

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4.1. Assets less than R5,000

	Note	2012/13	2011/12
	4	R'000	R'000
Tangible assets		764	1,591
Machinery and equipment		764	1,591
Total		764	1,591

4.2. Computer services

	Note	2012/13	2011/12
	4	R'000	R'000
SITA computer services		24,592	11,929
External computer service providers		7,925	926
Total		32,517	12,855

4.3. Consultants, contractors and agency/outsourced services

	Note	2012/13	2011/12
	4	R'000	R'000
Business and advisory services		98,959	100,043
Legal costs		1,082	3,616
Contractors		1,148	2,930
Agency and support/outsourced services		1,007	859
Total		102,196	107,448

4.4. Audit cost – External

	Note	2012/13	2011/12
	4	R'000	R'000
Regularity audits		7,018	5,208
Total		7,018	5,208

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4.5. Inventory

	Note	2012/13	2011/12
	4	R'000	R'000
Food and food supplies		17	17
Fuel, oil and gas		8	458
Other consumables		731	844
Materials and supplies		63	65
Stationery and printing		5,572	3,334
Medical supplies		1	-
Total		6,392	4,718

4.6. Property payments

	Note	2012/13	2011/12
	4	R'000	R'000
Municipal services		4,436	3,501
Other		1,492	703
Total		5,928	4,204

4.7. Travel and subsistence

	Note	2012/13	2011/12
	4	R'000	R'000
Local		50,665	51,469
Foreign		6,782	5,044
Total		57,447	56,513

4.8. Other operating expenditure

	Note	2012/13	2011/12
	8	R'000	R'000
Professional bodies, membership and subscription fees		225	81
Resettlement costs		70	542
Gifts		53	-
Other		1,957	1,634
Total		2,305	2,257

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5. INTEREST AND RENT ON LAND

	Note	2012/13	2011/12
		R'000	R'000
Interest paid		-	197
Total		-	197

6. PAYMENTS FOR FINANCIAL ASSETS

	Note	2012/13	2011/12
		R'000	R'000
Debts written off	6.1	126	24
Total		126	24

6.1. Debts written off

	Note	2012/13	2011/12
	6	R'000	R'000
Nature of debts written off			
(Group major categories, but list material items: debts written off relating to irregular expenditure, recoverable expenditure and other debts must be listed here)			
No Shows		13	14
Bad debts		3	1
Damaged vehicle		110	9
Total		126	24
Total debt written off		126	24

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7. TRANSFERS AND SUBSIDIES

	Note	2012/13	2011/12
		R'000	R'000
Provinces and municipalities	33, 34, Annex 1A, Annex 1B	22,787,238	21,388,514
Departmental agencies and accounts	Annex 1C	912,808	484,074
Universities and technikons	Annex 1D	3,090	-
Foreign governments and international organisations	Annex 1F	1,279	462
Non-profit institutions	Annex 1G	400	-
Households	Annex 1H	14,069	8,020
Total		23,718,884	21,881,070

Unspent funds transferred to the above beneficiaries

8. EXPENDITURE FOR CAPITAL ASSETS

	Note	2012/13	2011/12
		R'000	R'000
Tangible assets		210,645	223,547
Buildings and other fixed structures	45	205,566	219,678
Machinery and equipment	27	5,079	3,869
Software and other intangible assets		30	28
Computer software	44	30	28
Total		210,675	223,575

The following amounts have been included as project costs in expenditure for capital assets

Compensation of employees	-	-
Goods and services	-	-
Total	-	-

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8.1. Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	210,645	-	210,645
Buildings and other fixed structures	205,566	-	205,566
Machinery and equipment	5,079	-	5,079
Software and other intangible assets	30	-	30
Computer software	30	-	30
Total	210,675	-	210,675

8.2. Analysis of funds utilised to acquire capital assets – 2011/12

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	223,547	-	223,547
Buildings and other fixed structures	219,678	-	219,678
Machinery and equipment	3,869	-	3,869
Software and other intangible assets	28	-	28
Computer software	28	-	28
Total	223,575	-	223,575

9. CASH AND CASH EQUIVALENTS

	Note	2012/13	2011/12
	9	R'000	R'000
Consolidated paymaster general account		647,803	231,686
Disbursements		(24,296)	(11,930)
Cash on hand		55	45
Total		623,562	219,801

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10. PREPAYMENTS AND ADVANCES

	Note	2012/13	2011/12
		R'000	R'000
Travel and subsistence		37	24
Prepayments		33,084	-
Advances paid to other entities	17.1	15,028	5,295
Total		48,149	5,319

10.1. Advances paid

	Note	2012/13	2011/12
		R'000	R'000
National departments	<i>Annex 8A</i>	15,028	5,295
Provincial department	<i>Annex 8A</i>	-	-
Public entities	<i>Annex 8A</i>	-	-
Other Institutions	<i>Annex 8A</i>	-	-
Total		15,028	5,295

11. RECEIVABLES

	Note	2012/13				2011/12
		R'000	R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	18.1 <i>Annex 4</i>	176	-	1	177	62
Trade receivables	18.2	-	-	-	-	-
Recoverable expenditure	18.3	324	381	70	775	704
Staff debt	18.4	197	47	3	247	146
Other debtors	18.5	1,470	745	60	2,275	859
Total		2,167	1,173	134	3,474	1,771

11.1. Claims recoverable

	Note	2012/13	2011/12
	11	R'000	R'000
National departments		177	62
Total		177	62

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11.2. Recoverable expenditure (disallowance accounts)

	Note	2012/13	2011/12
	11	R'000	R'000
Disallowance miscellaneous (SIU debtors)		-	30
Damaged vehicles		775	674
Total		775	704

11.3. Staff debt

	Note	2012/13	2011/12
	18	R'000	R'000
Telephone & cell phone		2	6
Study		51	57
Vehicle		55	-
No show		4	10
Salaries		124	73
Loses		11	-
Total		247	146

11.4. Other debtors

	Note	2012/13	2011/12
	18	R'000	R'000
Suppliers		1,953	781
VAT vendors		322	78
Total		2,275	859

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12. INVESTMENTS

	Note	2012/13	2011/12
		R'000	R'000
Non-current			
Shares and other equity			
NHFC		880,000	880,000
SERVCON		604	604
Total		880,604	880,604
Analysis of non-current investments			
Opening balance		880,604	880,604
Closing balance		880,604	880,604

13. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2012/13	2011/12
		R'000	R'000
Opening balance		226,621	199,805
Transfer from statement of financial performance		674,534	226,621
Paid during the year		(226,620)	(199,805)
Closing balance		674,535	226,621

14. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2012/13	2011/12
		R'000	R'000
Opening balance		12	49
Transfer from statement of financial performance		1,039	610
Paid during the year		(887)	(647)
Closing balance		164	12

15. PAYABLES – CURRENT

	Note	2012/13	2011/12
		R'000	R'000
Clearing accounts	15.1	289	86
Total		289	86

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15.1. Clearing accounts

Description	Note	2012/13	2011/12
	15	R'000	R'000
Salary income tax: CL		273	84
Pension fund		16	4
Medical aid		-	(2)
Total		289	86

16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

Description	Note	2012/13	2011/12
		R'000	R'000
Net surplus/(deficit) as per statement of financial performance		675,573	227,231
Add back non cash/cash movements not deemed operating activities		(61,162)	14,407
(Increase)/decrease in receivables – current		(1,703)	(3,808)
(Increase)/decrease in prepayments and advances		(42,830)	(4,799)
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		203	(109)
Proceeds from sale of capital assets		-	-
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		210,675	223,575
Surrenders to revenue fund		(227,507)	(200,452)
Surrenders to RDP fund/donor		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities		614,411	241,638

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17. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	Note	2012/13	2011/12
		R'000	R'000
Consolidated paymaster general account		623,507	231,686
Fund requisition account		-	-
Cash receipts		-	-
Disbursements		-	(11,930)
Cash on hand		55	45
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
Total		623,562	219,801

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These amounts are not recognised in the annual financial statements and are disclosed to enhance the usefulness of the annual financial statements.

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

18.1. Contingent liabilities

	Note	2012/13	2011/12
		R'000	R'000
Liable to Nature			
Housing loan guarantees Employees	<i>Annex 3A</i>	85	85
Claims against the Department	<i>Annex 3B</i>	425	-
Other departments (interdepartmental unconfirmed balances)	<i>Annex 5</i>	8	76
Other	<i>Annex 3B</i>	22,413	-
Total		22,931	161

19. COMMITMENTS

	Note	2012/13	2011/12
		R'000	R'000
Current expenditure			
Approved and contracted		53,216	40,388
Approved but not yet contracted		19,931	14
		73,417	40,402
Capital expenditure (including transfers)			
Approved and contracted		147,624	70,328
Approved but not yet contracted		-	868,522
		147,624	938,850
Total commitments		220,771	979,252

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20. ACCRUALS

			2012/13	2011/12
			R'000	R'000
Listed by economic classification				
	30 Days	<i>30+ Days</i>	Total	Total
Goods and services	2,862	9,155	12,017	8,323
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	-	-	-	-
Other	10	82	92	15
Total	2,872	9,237	12,109	8,338

	Note	2012/13	2011/12
		R'000	R'000
Listed by programme level			
Administration		4,522	2,580
Housing Policy, Research and Monitoring		671	1,031
Housing Planning and Delivery Support		794	1,194
Housing Development Finance		4,642	2,346
Strategic Relations and Governance		1,381	1,187
Office of Chief of Operations		99	-
Total		12,109	8,338

	Note	2012/13	2011/12
		R'000	R'000
Confirmed balances with other departments	<i>Annex 5</i>	-	53
Confirmed balances with other government entities	<i>Annex 5</i>	-	23
Total		-	76

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21. EMPLOYEE BENEFITS

	Note	2012/13	2011/12
		R'000	R'000
Leave entitlement		8,335	7,053
Service bonus (thirteenth cheque)		6,005	5,879
Performance awards		5,055	4,305
Capped leave commitments		7,749	7,441
Total		27,144	24,678

2011/12 Staff receivables R684,000

2012/13 Staff receivables R711,000

22. LEASE COMMITMENTS

22.1. Operating leases expenditure

2012/13	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than one year	-	-	27,593	-	27,593
Later than one year and not later than five years	-	-	147,824	-	147,824
Total lease commitments	-	-	175,417	-	175,417

2011/12	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than one year	-	-	14,097	-	14,097
Later than one year and not later than five years	-	-	81,908	-	81,908
Later than five years	-	-	10,051	-	10,051
Total lease commitments	-	-	106,056	-	106,056

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22.2. Finance leases expenditure**

2012/13	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than one year	-	-	-	2,116	2,116
Later than one year and not later than five years	-	-	-	1,168	1,168
Total lease commitments	-	-	-	3,284	3,284

2011/12	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than one year	-	-	-	2,618	2,618
Later than one year and not later than five years	-	-	-	2,716	2,716
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	5,334	5,334
LESS: finance costs	-	-	-	616	616
Total present value of lease liabilities	-	-	-	4,718	4,718

**This note excludes leases relating to public private partnership as they are separately disclosed to note no. 39.

23. IRREGULAR EXPENDITURE

23.1. Reconciliation of irregular expenditure

	Note	2012/13	2011/12
		R'000	R'000
Opening balance		18,284	15,285
Add: Irregular expenditure – relating to prior year		-	316
Add: Irregular expenditure – relating to current year		556	2,683
Less: Amounts condoned		(2,477)	-
Less: Amounts not recoverable (not condoned)		(9,797)	-
Irregular expenditure awaiting condonation		6,566	18,284

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Analysis of awaiting condonation per age classification	
Current year	214
Prior years	6,352
Total	6,566

23.2. Details of irregular expenditure – current year

	2012/13 R'000
Official trip to Mpumalanga not approved	11
Foreign trip to New York not approved	166
SABC broadcasting services	342
Exceeding of approved contract i.r.o. cleaning services	37
Total	556

23.3. Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2012/13 R'000
Procurement procedures not followed for broadcasting service		342
Advertised period Kaelo Consulting		316
Advertised period Kaelo Consulting		1,819
Total		2,477

23.4. Details of irregular expenditures not recovered (not condoned)

Incident	Condoned by (condoning authority)	2012/13 R'000
Stipulations Practice note 8 of 2007/08		9,797
Total		9,797

23.5. Details of irregular expenditures under investigation

Incident	Condoned by (condoning authority)	2012/13 R'000
Acting allowance		794
No approved trip authority form		11
No approved submission for overseas trip		166
Total		971

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24. FRUITLESS AND WASTEFUL EXPENDITURE

24.1. Reconciliation of fruitless and wasteful expenditure

	Note	2012/13	2011/12
		R'000	R'000
Opening balance		3	3
Less: Amounts resolved		(3)	-
Fruitless and wasteful expenditure awaiting resolution		-	3

25. RELATED PARTY TRANSACTIONS

Revenue received	Note	2012/13	2011/12
		R'000	R'000
<i>List related party relationships</i>			

1. South African Housing Fund
2. Servcon
3. Social Housing Foundation
4. National Urban Reconstruction and Housing Agency
5. National Home Builders Registration Council
6. National Housing Finance Corporation
7. Thubelisha Homes
8. Rural Housing Loan Fund
9. Housing Development Agency
10. Social Housing Regulatory Authority
11. Estate Agency Affairs Board
12. Community Schemes Ombuds Service

26. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2012/13	2011/12
		R'000	R'000
Political office bearers (provide detail below)	2	3,659	3,468
Officials:			
Level 15 to 16	10	12,126	8,810
Level 14	20	17,470	21,235
Family members of key management personnel	1	370	-
Total		33,625	33,513

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27. IMPAIRMENT

	Note	2012/13	2011/12
		R'000	R'000
Impairment			
Debtors		234	100
Total		234	100

28. PROVISIONS

	Note	2012/13	2011/12
		R'000	R'000
VAT vendors		59	46
Total		59	46

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29. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013					
	Opening balance	Curr. year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	51,883	-	2,992	1,142	53,733
Transport assets	1,063	-	-	-	1,063
Computer equipment	25,199	-	1,856	836	26,219
Furniture and office equipment	14,714	-	382	213	14,883
Other machinery and equipment	10,907	-	754	93	11,568
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	51,883	-	2,992	1,142	53,733

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29.1. Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013					
	Cash R'000	Non-cash R'000	(Capital work-in progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	4,736	-	(1,744)	-	2,992
Computer equipment	1,856	-	-	-	1,856
Furniture and office equipment	382	-	-	-	382
Other machinery and equipment	2,498	-	(1,744)	-	754
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	4,736	-	(1,744)	-	2,992

Included in the asset figure are assets to the value of R600,000 which were not found during the asset verification and are still under investigation. These assets will be removed from the asset register once confirmed as lost and approval to write them off is obtained.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
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29.2. Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013				
	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT		1,142	1,142	-
Computer equipment	-	836	836	-
Furniture and office equipment	-	213	213	-
Other machinery and equipment	-	93	93	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	1,142	1,142	-

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29.3. Movement for 2011/12

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	50,279	2,506	902	51,883
Transport assets	1,682	-	619	1,063
Computer equipment	24,206	1,109	116	25,199
Furniture and office equipment	13,956	843	85	14,714
Other machinery and equipment	10,435	554	82	10,907
TOTAL MOVABLE TANGIBLE ASSETS	50,279	2,506	902	51,883

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29.4. Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2013						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1,105	-	14,844	-	15,949
Curr. year adjustments to prior year balances	-	-	-	235	-	235
Additions	-	-	-	764	-	764
Disposals	-	-	-	315	-	315
TOTAL MINOR ASSETS	-	1,105	-	15,528	-	16,633

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	5	-	76	-	81
Number of minor assets at cost	-	1,030	-	12,636	-	13,666
TOTAL NUMBER OF MINOR ASSETS	-	1,035	-	12,712	-	13,747

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	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1,097	-	13,444	-	14,541
Additions	-	8	-	1,526	-	1,534
Disposals	-	-	-	126	-	126
TOTAL MINOR ASSETS	-	1,105	-	14,844	-	15,949

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2012

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	5	-	65	-	70
Number of minor assets at cost	-	1,030	-	10,882	-	11,912
TOTAL NUMBER OF MINOR ASSETS	-	1,035	-	10,947	-	11,982

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29.5. Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2013						
Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total	
R'000	R'000	R'000	R'000	R'000	R'000	R'000
-	-	-	(315)	-	-	(315)
-	-	-	(315)	-	-	(315)
TOTAL MOVABLE ASSETS WRITTEN OFF						

Assets written off

TOTAL MOVABLE ASSETS WRITTEN OFF

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2012						
Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total	
R'000	R'000	R'000	R'000	R'000	R'000	R'000
-	-	-	126	-	-	126
-	-	-	126	-	-	126
TOTAL MOVABLE ASSETS WRITTEN OFF						

Assets written off

TOTAL MOVABLE ASSETS WRITTEN OFF

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30. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013					
	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	3,581	-	30	-	3,611
TOTAL INTANGIBLE CAPITAL ASSETS	3,581	-	30	-	3,611

30.1. Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013					
	Cash	Non-Cash	(Development work in-progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	30	-	-	-	30
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	30	-	-	-	30

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30.2. Movement for 2011/12

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012				
	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	3,553	28	-	3,581
TOTAL INTANGIBLE CAPITAL ASSETS	3,553	28	-	3,581

31. IMMOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013					
	Opening balance R'000	Curr. year adjust-ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	254,638	254,638	-
Other fixed structures	-	-	254,638	254,638	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	254,638	254,638	-

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31.1. Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013					
	Cash R'000	Non-cash R'000	(Capital work-in- progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	205,566	92,004	(42,932)	-	254,638
Other fixed structures	205,566	92,004	(42,932)	-	254,638
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	205,566	92,004	(42,932)	-	254,638

31.2. Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013					
	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received actual R'000	
BUILDINGS AND OTHER FIXED STRUCTURES	-	254,638	254,638	-	-
Other fixed structures	-	254,638	254,638	-	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	254,638	254,638	-	-

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31.3. Movement for 2011/12

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	100,533	100,533	-
Other fixed structures	-	100,533	100,533	-
TOTAL IMMOVABLE TANGIBLE ASSETS	-	100,533	100,533	-

32. TRANSFER OF FUNCTIONS

Assets from the Department of Water Affairs (DWA) in the amount of R1,188,603.47 are not included in the asset register pending the submission of the transferring documents and the signatures of the Accounting Officers of both departments. Some of the assets are valued at R1.00 and others do not have value. These assets will be fair valued before capturing on the asset register.

Assets transferred to Defence in the amount of R476,953.61 were not acknowledged pending the signature of the Accounting Officer at Defence (PFMA, Section 42 paragraph 2). These assets are still appearing on the asset register of the Department. They were not removed from asset register as the transfer process has not been finalised.

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33. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION			TRANSFER			SPENT			2011/12 Division of Revenue Act	
	Division of Revenue Act	Roll- overs	Adjustments	Total available	Actual transfer	Funds withheld	Re-allocations by National Treasury or national Department	Amount received by Department	Amount spent by Department		% of available funds spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		%
Eastern Cape	2,292,859	-	-	2,292,859	2,008,046	284,813	-	2,008,046	2,001,816	100%	2,234,376
Free State	961,619	2,716	-	964,335	961,619	-	-	961,619	964,335	100%	958,007
Gauteng	4,003,776	-	-	4,003,776	4,003,776	-	-	4,003,776	4,001,589	100%	3,804,647
KwaZulu-Natal	2,915,297	-	-	2,915,297	2,915,297	-	-	2,915,297	2,915,297	100%	2,801,011
Limpopo	1,471,617	-	-	1,471,617	1,425,503	46,114	-	1,425,503	1,315,532	92%	1,420,388
Mpumalanga	965,127	-	-	965,127	965,127	-	-	965,127	953,062	99%	917,037
Northern Cape	339,551	-	-	339,551	339,551	-	-	339,551	339,538	100%	332,989
North West	1,050,933	-	-	1,050,933	1,050,933	-	-	1,050,933	1,050,855	100%	1,014,216
Western Cape	1,725,180	-	-	1,725,180	1,725,180	-	-	1,725,180	1,725,180	100%	1,638,845
Total	15,725,959	2,716	-	15,728,675	15,395,032	330,927	-	15,395,032	15,276,204	100%	15,421,516

10(a)(iii) & 10(b) The total amount of R15,725,959 allocated to provinces (b) An amount of R330,927 mil was withheld from Eastern Cape and Limpopo (c) No amounts were reallocated (d) Funds were transferred into the primary bank account of the provincial Human Settlements (e) The Human Settlements Development Grant (HSDG) was not utilised for other administrative purposes except in terms of operational capital budget (OPSCAP), which allows the provinces to utilise a certain percentage, maximum of 5%, of the voted allocation (grant) to support the approved national and provincial housing programmes and priorities.

Duties of National Department in terms of section 14(2)(b) and (c) of Division of Revenue Act, 2012, (Act No.5 of 2012) in respect of annual financial statements and annual reports for the 2012/13 Financial Year

1. According to the Human Settlements Development Grant Framework, gazette No. 35399, the National Department monitors the provinces based on the responsibilities stipulated in the framework. The National Department monitors the financial and non-financial performance on the HSDG by analyzing monthly financial expenditure reports and quarterly reports and thereafter submits the report to the National Treasury as requested by DoRA. The National Department reported the performance to the executive authority and managements structures such as MinMec. During the year the National Department conducted provincial quarterly reviews as part of monitoring both expenditure and delivery performance.
2. The allocation achieved its objective hence the delivery output were reported on a monthly, quarterly and annual basis. The explanations did report if there were any variances occurred including the reasons for variances.

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34. STATEMENT OF GRANTS PAID TO THE PROVINCES FOR HOUSING DISASTER RELIEF GRANT

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER		SPENT			2011/12 Division of Revenue Act R'000
	Amount R'000	Roll-overs R'000	Other adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	Amount received by Department R'000	Amount spent by Department R'000	% of available funds spent by Department %	
Eastern Cape	-	-	-	-	-	-	-	-	-	56,700
Free State	-	-	-	-	-	-	-	-	-	44,100
Gauteng	--	--	--	--	-	-	-	--	--	36
KwaZulu-Natal	-	-	-	-	-	-	-	-	-	31,140
Limpopo	-	-	-	-	-	-	-	-	-	21,474
Mpumalanga	-	-	-	-	-	-	-	-	-	360
Northern Cape	-	-	-	-	-	-	-	-	-	10,350
North West	-	-	-	-	-	-	-	-	-	15,840
Western Cape	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	180,000

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
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**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2011/12 Division of Revenue Act R'000	
	Division of Revenue Act R'000	Roll-overs R'000	Adjustments R'000	Total available	Actual transfer R'000	Funds withheld R'000	Re-allocations by National Treasury or national Department %	Amount received by municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality %
Buffalo	499,474	267,314	-	766,788	499,474	-	-	499,474	155,021	31%	423,446
Nelson Mandela Bay	592,870	-	-	592,870	592,870	-	-	592,870	314,414	53%	502,626
Mangaung	485,967	128,578	-	614,545	485,967	-	-	485,967	300,192	62%	411,995
Ekurhuleni	1,212,537	-	-	1,212,537	1,212,537	-	-	1,212,537	607,300	50%	1,094,276
City of Johannesburg	1,290,748	76,439	-	1,367,187	1,290,748	-	-	1,290,748	483,366	37%	1,027,970
City of Tshwane	1,051,070	10,118	-	1,061,188	1,051,070	-	-	1,051,070	610,211	58%	891,081
EThekwini	1,287,560	28,369	-	1,315,929	1,287,560	-	-	1,287,560	386,507	30%	1,091,574
City of Cape Town	971,980	70,869	-	1,042,849	971,980	-	-	971,980	483,346	50%	824,030
TOTAL	7,392,206	581,687	-	7,973,893	7,392,206	-	-	7,392,206	3,340,357		6,266,998

13(1)(a) The total amount of R7,392,206 was transferred to municipalities (b) No amounts have been withheld (c) No amounts were reallocated (d) All funds were transferred into the primary bank account of the municipalities or, where appropriate, into the CPD account.

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**ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2011/12 Appropriation Act
	Adjusted appropriation R'000	Roll-overs R'000	Adjust-ments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	
Housing Development Agency	92,336	-	-	92,336	92,336	100%	89,100
NURCHA	120,000	-	-	120,000	120,000	100%	100,00
Social Housing Regulatory Authority	668,497	-	-	668,497	668,497	100%	245,474
Rural Housing Loan Fund	31,975	-	-	31,975	31,975	100%	49,500
TOTAL	912,808	-	-	912,808	912,808		484,074

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**ANNEXURE 1D
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS**

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2011/12 Appropriation Act R'000
	Adjusted appropriation R'000	Roll-overs R'000	Adjust-ments R'000	Total available R'000	Actual transfer R'000	Amount not transferred R'000	% of available funds transferred	
Nelson Mandela Metropolitan University	3,090	-	-	3,090	3,090	-	-	-
TOTAL	3,090	-	-	3,090	3,090	-	-	-

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**ANNEXURE 1F
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2011/12 Appropriation Act R'000
	Adjusted Appropriation Act	Roll-overs	Adjust-ments	Total available	Actual transfer	% of available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
United Nations Human Settlements	1,000	-	-	1,000	850	85%	462
Cities Alliance	280	-	-	280	429	153%	-
Total	1,280	-	-	1,280	1,279		462

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**ANNEXURE 1G
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2011/12 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll-overs R'000	Adjust-ments R'000	Total available R'000	Actual transfer	% of available funds transferred	
					R'000	%	
NON-PROFIT INSTITUTIONS							
Transfers							
SAPI Conference	400	-	-	400	400	100%	-
Total	400	-	-	400	400	-	-

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**ANNEXURE 1H
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2011/12 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll-overs R'000	Adjust-ments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	
Transfers							
Leave gratuity	314	-	-	314	249	79%	59
Bursaries (Non-employee)	13,820	-	-	13,820	13,820	100%	7,961
Total	14,134	-	-	14,134	14,069		8,020

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ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2012 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2012 R'000	Guarantees draw downs during the year R'000	Guarantees repayments/ cancelled/ reduced/ released during the year R'000	Revaluations R'000	Closing balance 31 March 2013 R'000	Guaranteed interest for year ended 31 March 2013 R'000	Realised losses not recoverable i.e. claims paid out R'000
	Housing								
Standard Bank	Housing	52	52	-	-	-	52	-	-
Old Mutual	Housing	17	17	-	-	-	17	-	-
Mpumalanga Housing Finance	Housing	16	16	-	-	-	16	-	-
	TOTAL	85	85	-	-	-	85	-	-

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ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

Nature of liability	Opening balance 1 April 2012	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2013
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
B Maseko		6	6	-	-
Tsoga ka Bohlaswa Trading Enterprise Mafotha (MVA)		401 24	- -	- -	401 24
Subtotal	-	431	6	-	425
Other					
Department of Public Works (Accommodation charges for a building at 260 Justice Mahomed Street in respect of which the Department has not taken occupancy. Invoices were received but could not be paid for as they are considered to be under dispute.)		22,413			22,413
Subtotal	-	22,413	-	-	22,413
TOTAL	-	22,844	6	-	22,838

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
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**ANNEXURE 4
CLAIMES RECOVERABLE**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
GCS	-	5,295	15,005	-	15,005	5,295
Department of Arts and Culture	21	-	-	21	21	21
STATS SA	-	-	-	1	-	1
Unemployment Insurance Fund	-	-	-	1	-	1
Department of Justice	-	21	11	-	11	21
Gauteng Housing	-	-	-	11	-	11
South African Police Services	-	-	8	-	8	-
Department of Social Development	-	-	-	9	-	9
International Relations & Cooperation (Foreign Affairs)	-	-	23	-	23	-
Department of Water Affairs	43	-	-	-	43	-
Department of Correctional Services	-	-	53	-	53	-
Department of Trade & Industry	-	-	41	-	41	-
Total	64	5,316	15,141	43	15,205	5,359

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**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Presidency	-	21	-	-	-	21
Water Affairs	-	-	-	76	-	76
Limpopo Provincial Government	-	4	-	-	-	4
Department of Finance Gauteng	-	28	-	-	-	28
South African Police Service	-	-	8	-	8	-
Subtotal	-	53	8	76	8	129
OTHER GOVERNMENT ENTITY						
Current						
Government Printing Works	-	15	-	-	-	15
PALAMA	-	8	-	-	-	8
Subtotal	-	23	-	-	-	23
Total	-	76	8	76	8	152

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**ANNEXURE 6
INVENTORY**

Inventory	Note	Quantity	2012/13 R'000	Quantity	2011/12 R'000
Opening balance		26,480	135	29,905	170
Add/(Less): Adjustments to prior year balance		-	-	-	-
Add: Additions/purchases - Cash		99,541	247,436	40,833	205
Add: Additions - Non-cash		10,430	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		(101,215)	(247,413)	(44,258)	(239)
Add/(Less): Adjustments		-	-	-	-
Add/(Less): Weighted average price variance		-	8	-	(1)
Closing balance		35,236	166	26,480	135

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**ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS**

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2013				
	Opening balance	Current year capital WIP	Completed assets	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	92,004	42,932	92,004	42,932
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	92,004	42,932	92,004	42,932
TOTAL	92,004	42,932	92,004	42,932

**ANNEXURE 8A
INTER-ENTITY ADVANCES PAID (Note 17)**

	Confirmed balance		Unconfirmed balance		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
GCIS	15,005	5,295	-	-	15,005	5,295
DIRCO	23	-	-	-	23	-
TOTAL	15,028	5,295	-	-	15,028	5,295

SOUTH AFRICAN HOUSING FUND
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2013

POSITION	Notes	31 March 2013	31 March 2012
		R'000	R'000
ASSETS			
Current assets		32,585	32,585
Trade and other receivables	2	-	-
Cash and cash equivalents	5	32,585	32,585
TOTAL ASSETS		32,585	32,585
EQUITY AND LIABILITIES			
Capital and reserves		31,958	31,958
Nondistributable reserves			
Accumulated profits/(losses)		31,958	31,958
Current liabilities		627	627
Trade and other payables	3	627	627
TOTAL EQUITY AND LIABILITIES		32,585	32,585

SOUTH AFRICAN HOUSING FUND
CASH FLOW STATEMENT
for the year ended 31 March 2013

CASH FLOW	Note	31 March 2013	31 March 2012
		R'000	R'000
CASH FLOWS FROM FINANCE ACTIVITIES:			
(Increase)/Decrease in financial instruments		-	-
Net cash inflow/(outflow) from investing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		32 585	32 585
Cash and cash equivalents at end of period	5	32 585	32 585

**SOUTH AFRICAN HOUSING FUND
ACCOUNTING POLICIES
for the year ended 31 March 2013**

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The change in focus in housing delivery to quality housing and a shift to alternative forms of housing tenure have formed the background against which sustainable housing delivery was achieved. As reported in 2003/04, changes in the financial management legislative environment precipitated a need to review the funds flow mechanisms to provinces. In this regard, MINMEC approved that the process for the disestablishment of the fund commence and draft legislation is in the process of being approved to give effect to that decision. The delisting of the South African Housing Fund was approved with effect from 18 November 2003. The Department has commenced a process of developing a Green Paper. This process will culminate into a Human Settlement Act which will repeal the current Housing Act.

2. ACCOUNTING AUTHORITY'S EMOLUMENTS

In terms of section 11(5)(a) of the Housing Act (Act No. 107 of 1997) the Director-General of Human Settlements is the Accounting Officer of the South African Housing Fund.

No emoluments were paid to the accounting authority from the funds of the South African Housing Fund since the Accounting Officer is being remunerated by the Department of Human Settlements (previously Department of Housing).

3. AUDITORS

In terms of section 188 of the Constitution of the Republic of South Africa (Act No. 108 of 1998) read with sections 4 and 20 of the Public Audit Act (Act No. 25 of 2004) and section 11(8) of the Housing Act (Act No. 107 of 1997), the Auditor-General has the responsibility to audit the books and statements of account and balance sheet of the South African Housing Fund. The Office of the Auditor-General will continue to perform the statutory audit of the South African Housing Fund.

4. APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 250 to 254 for the South African Housing Fund were approved by the Accounting Officer.

SOUTH AFRICAN HOUSING FUND
ACCOUNTING POLICIES
for the year ended 31 March 2013

The principle accounting policies adopted in the preparation of these financial statements are set out below.

1. BASIS OF PREPARATION

The financial statements are prepared on the liquidation basis as set out below. The entity no longer conducts its function in terms of the National Housing Act and is waiting to be disestablished and the Housing Act to be amended.

1.1. Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, receivables and creditors.

Measurement

Financial instruments are initially measured at cost. Subsequent to initial recognition these instruments are measured as set out below.

Trade and other receivables

Trade and other receivables are stated at cost less provision for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are measured at cost.

Financial liabilities

Financial liabilities are recognised at cost.

1.2. Administration costs

All administration costs are borne by Department of Human Settlements.

**SOUTH AFRICAN HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 March 2013**

No.		31 March 2013	31 March 2012
		R'000	R'000
2.	TRADE AND OTHER RECEIVABLES		
	Debtors	421	421
	Less: Provision for bad debt	(421)	(421)
		-	-
3.	TRADE AND OTHER PAYABLES		
	Post office account	627	627
		627	627

4. Disestablishment of the SA Housing Fund

At the meeting of MINMEC on 15 August 2003, MINMEC approved the disestablishment of the South African Housing Fund and the Provincial Housing Development funds established in terms of various provincial Housing Acts. A draft Bill has been submitted to the Office of the State Law Adviser and to the National Treasury for consideration and input. The Department is also considering repealing the Housing Act and developing a new Human Settlements Act in light of the Department's new mandate. The delisting of the South African Housing Fund was approved with effect from 18 November 2003.

	31 March 2013	31 March 2012
	R'000	R'000

NOTES TO THE CASH FLOW STATEMENT

5. Cash and cash equivalents

Cash on hand	25,229	25,229
Cash with CPD	7,356	7,356
	32,585	32,585

